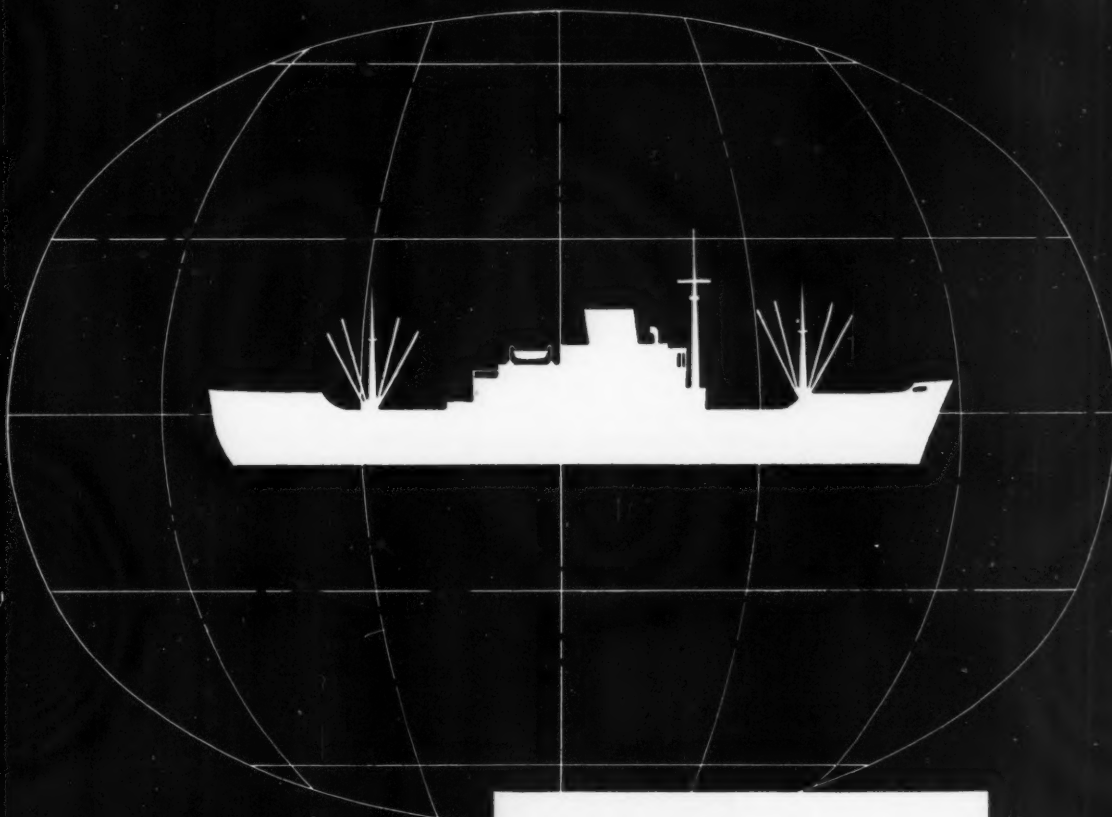


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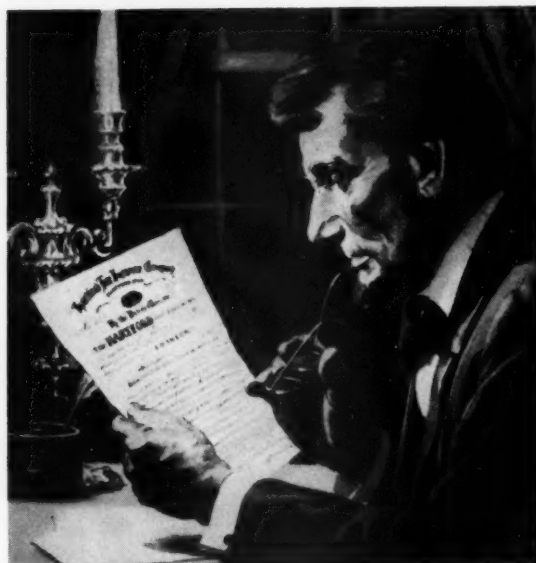
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THURSDAY, FEBRUARY 9, 1956

For the only
home he
ever owned



... *Lincoln chose this Hartford policy*

It is the first week of February, 1861. Abraham Lincoln is winding up his affairs in Springfield, Illinois. Next Monday morning he begins the trip to Washington, where he is to be inaugurated as sixteenth President of the United States.

Mr. Lincoln has just said goodbye to a visitor. The man was James L. Hill, local agent of the Hartford Fire Insurance Company, who has left with Mr. Lincoln the insurance policy which protects the only home he has ever owned.

At Mr. Lincoln's request, Jim Hill had made a thorough inspection of the property only a few days before. He noted the

struction of the buildings . . . measured their dimensions and the distances between them. Then he drew up a policy for the President-elect — and delivered it.

We are proud that Abraham Lincoln chose to insure his home with the Hartford. And we treasure the original policy to this day. Mr. Lincoln's son, Robert Todd Lincoln, presented it to Hartford Agent Jim Hill as a memento several years after the President's death.

Copies of this historic document are available upon request. Write the Hartford Fire Insurance Company, Hartford 15.

This interesting story is appearing in the *Saturday Evening Post*, *Life*, *Time*, *National Geographic*, and other popular magazines during the month of February.

It is a reminder that as far back as 1861, Hartford Fire Insurance Company agents found ready acceptance of Hartford policies . . . then, as now, backed by one of the oldest, largest and most dependable insurance companies in the nation.



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Hartford Accident and Indemnity Company
Hartford Live Stock Insurance Company
Citizens Insurance Company of New Jersey . . . Hartford 15, Connecticut
New York Underwriters Insurance Company . . . New York 38, New York
Northwestern Fire & Marine Insurance Company
Twin City Fire Insurance Company . . . Minneapolis 2, Minnesota

The NATIONAL UNDERWRITER

The National Weekly Newspaper of Fire and Casualty Insurance

February 9, 1956
60th Year, No. 6

Faulkner Outlines Functions, Setup of Health Assn.

Details of Organization, Objectives are Reviewed for Joint Seminar

NEW YORK—The principal functions and the organizational structure of the new Health Insurance Assn. of America, "which will soon be an operating reality," were detailed by E.



E. J. Faulkner

J. Faulkner, president of Woodmen Accident & Life and president designate of the new association, at the educational seminar conducted here by Bureau of A&H Underwriters and H&A Underwriters conference.

The principal functions, Mr. Faulkner said, will be legislative service, education, the assumption of responsibility for much of the work of Health Insurance Council, industrywide statistics and industrywide program of public relations and information.

Among the organizational features of Health Insurance Assn. will be an Institute of Health Insurance, which will become the vehicle for carrying on the public relations work of A&S insurance, he said. It is hoped and expected, he added, that a mutually satisfactory arrangement can be devised between Health Insurance Assn. and Institute of Life Insurance, by which the latter will be responsible for the administration of Institute of Health Insurance.

Health Insurance Assn. will be headed by the directors, representative of different kinds and sizes of insurers as well as various geographic areas. They will select the general manager, and for this post Robert R. Neal, presently resident counsel in Washington for the bureau and conference, has been designated.

In addition there will be four principal staff officers, the general counsel with jurisdiction over matters of law, legislation and regulation; a resident Washington counsel to be the contact of the business in Washington; and a director of public relations, who will maintain liaison between the association and its companies and disseminate information developed by research activities, law department, meetings, seminars and conferences. The fourth principal officer is director of research and information, who will establish and conduct studies and surveys, prepare information for dissemination to members, to the public generally and to special publics such as doctors and hospitals.

A public relations committee, a

(CONTINUED ON PAGE 28)

Holz' "Almost" Compulsory Goes to N. Y. Legislature

The Harriman administration has introduced in the New York legislature its proposal for solving the problem of the financially irresponsible motorist. The legislation embodies the program developed by Insurance Superintendent Leffert Holz and provides that, beginning with 1957, the motorist who cannot show evidence of financial responsibility in 10/20/5 limits must pay a \$30 fee. This would go into a claim fund to pay victims of uninsured motorists. The uninsured motorist would get nothing for his \$30, and if the claim fund paid out anything on account of him, his car would be impounded, and he would not be allowed to register an automobile or get a driver's license until he paid it back.

At this juncture it is difficult to predict what will happen to the legislation proposed by the Democratic Harriman administration in the Republican controlled legislature. Several Republican legislators have indicated they would back a plain compulsory bill, and the Harriman administration has given some indication that it would compromise on its proposal.

Mr. Holz' "motor vehicle indemnification fund" has undergone some changes from its original form. To obtain money from it a claimant must have a cause of action that would entitle him to recover damages in a common law action in negligence. However, he doesn't have to sue; he can arbitrate his claim, and the insurance superintendent, who would administer the fund and defend claims against it, is empowered to negotiate settlements before or during suit or arbitration.

The fund would be available to residents of the state, and to residents of other states, District of Columbia, Canada and foreign countries "in which laws substantially similar in character are in effect." The fund would be subject to claims arising out of the operation of stolen vehicles, uninsured out-of-state cars and hit-and-run vehicles.

The limit on claims against the fund is 10/20/1 with a \$200 deductible on property damage. The superintendent is subrogated to the rights of the claim-

MORE DEVELOPMENTS

Mention Canfield as Smith Successor on Texas Board

AUSTIN—Garland A. Smith, Texas life commissioner, who has been the target of criticism in the current insurance investigations and who last week resigned for reasons of ill health, said in his announcement that "I have been made a whipping boy" and that "I hesitated to resign only because I knew I would be accused of quitting under fire." But he pointed out that, since his doctor had advised an indefinite period of rest, he should not ask the board to work short-handed.

One of the persons most prominently mentioned to succeed Mr. Smith on the board is M. L. Canfield, north Texas state agent of Home. Mr. Smith's term was scheduled to end Feb. 10, 1957. Byron Saunders, casualty commissioner, is chairman of the Texas board and Mark Wentz is the fire commissioner.

Mr. Smith served as commissioner virtually alone during the illness of George B. Butler, life commissioner, and the illness of Col. Paul Brown, fire commissioner.

Gov. Shivers accepted the resignation with regret and said that time will show the value of the leadership of Mr. Smith in securing constructive insurance legislation.

There was no lessening of insurance publicity in Texas the past week. The board of commissioners ordered two companies—Trans-Western Mutual

(CONTINUED ON PAGE 32)

and can pursue the uninsured motorist for reimbursement.

Mr. Holz believes that the rules for operation of the fund will avoid delay in getting payments to claimants. In many cases the sole issue will be that of damages.

The \$30 fee would be redetermined from time to time in accord with the needs of the fund. One estimate places at 700,000 the number of uninsured cars in New York, which would mean a fund of \$21 million.

Health Insurance

Assn. to Hold First Meeting April 12-13

Cincinnati Is Site for Organizational Parley; 193 Companies Signed Up

NEW YORK—A total of 193 companies writing accident and health insurance have thus far been accepted for charter membership in the new trade association, Health Insurance Assn. of America, it was announced by E. J. Faulkner, Woodmen Accident & Life, chairman of Joint Committee on Health Insurance.

Applications are still being processed by the membership committee, headed by A. B. Hvale, Continental Casualty, and it is expected that additional charter members will be added to the present total before the organizational meeting.

At its meeting Monday in New York, the Joint Committee also approved the recommendation of the planning committee, of which J. W. Scherr Jr., Inter-Ocean, is chairman, that the organizational meeting will be held April 12-13, at the Netherland Plaza Hotel, Cincinnati. Under the requirements for setting up the association, the organizational meeting would be called when applications had been processed from a majority of the present members of the Bureau of A&H Underwriters and the H&A Underwriters Conference.

"The organization of Health Insurance Assn. of America will assure the industry of representation commensurate with its growing importance," Mr. Faulkner said.

At the organizational meeting, members will elect officers, a board of directors, and approve recommendations as to location of offices, staff appointments and other necessary business matters. Committee appointments will be announced and committees will hold initial meetings to assume their important functions on behalf of the industry to insure continuity of representation and viewpoint. Other details of the two-day meeting, including the names of special speakers, will be announced later.

As previously announced, Robert R. Neal, present bureau-conference Washington resident counsel, has been designated to be general manager, and the nominating committee of the Joint Committee has recommended E. J. Faulkner as the association's first president; J. Henry Smith, Equitable Society, vice-president; William R. Shands, Life of Virginia, secretary, and Frank S. Vanderbrouk, Monarch Life, chairman of the public relations committee.

The public relations program for the new association is expected to be launched under the direction of the Institute of Life Insurance, the detailed work being done by accident and health specialists.

Steps have been taken for dissolution

(CONTINUED ON PAGE 32)

Late News Bulletins . . .

News Highlights on Page 4

Browne Named Executive V-P

Allston-Musante Associates, New York City advertising agency specializing in the insurance and banking field, has changed its name to Allston Associates and has elected Norris P. Browne executive vice-president and Dorr M. Depew vice-president in charge of the banking division. Mr. Browne joined the agency in August 1955 as an account executive in charge of property insurance accounts. Previously he had been with Aetna Fire group as assistant advertising manager and superintendent of publicity department, Ins. Co. of Texas as assistant to the vice-president in charge of advertising, and American Casualty as sales promotion manager of A&S. Before joining the agency last November Mr. Depew had operated his own banking advertising service in New York for four years.

EUA Holds Public Relations Parley

The public relations committee of Eastern Underwriters Assn. under Chairman D. W. Florence, assistant U. S. manager of Commercial Union, held its

(CONTINUED ON PAGE 32)

North America Brings Out Package Cover for Tenants

North America has approval in a substantial number of states for two tenant package policies, one for tenants of apartment buildings and the other for dwelling tenants. Both contracts are of considerable interest among insurance men.

The North America coverage drops the 165 numbered lines and a number of other features of the standard fire policy, not to speak of common provisions applicable to extended coverage perils. As a result, the physical damage portion of the policy takes up considerably less space than physical damage provisions of other package policies, and coverage—at least in number of words—is remarkably simple.

Because it breaks with the standard policy, the apartment tenants policy will probably not be acceptable in at least some states. In one state, North America has been authorized to cover apartment tenants under the dwelling tenants policy, which is substantially the same as homeowners B and thus includes the provisions of the standard policy.

(In the early days of its experiments with all risks dwelling coverage, Fireman's Fund put out its SHO contract as a separate policy, also omitting a substantial portion of the standard fire policy. However, as the SHO contract was filed in various states by Fireman's Fund—and almost simultaneously by 60 or 70 other insurers—it became an endorsement, apparently

to avoid conflict with standard policy statutes in some states. The tenants policy of Chubb & Son also breaks with the standard policy tradition, though it is presently available in only 12 states.)

The North America apartment tenants policy, despite its rearrangement and omission of the standard policy provisions and those of EC and AEC, is based fundamentally upon homeowners B. Thus, it includes physical damage coverage of insured property plus comprehensive personal liability and medical payments, with indivisible premiums according to set amounts of insurance (limits of liability). Insured physical damage perils are burglary, robbery, theft, larceny, fire, lightning, windstorm, hail, explosion, riot, civil commotion, vandalism and malicious mischief, smoke or smudge from a sudden faulty unusual operation of a heating or cooking unit other than a fireplace, aircraft, collision or upset of vehicle, water, ice, snow, freezing, steam, landslide, collapse of building and falling trees or limbs. A \$50 deductible applies to loss caused by water, ice, snow, freezing, steam, landslide, collapse of building and falling trees or limbs.

The limit of liability is established on personal property on the insured premises in an even amount ranging from \$3,000, in units of \$1,000, to \$50,000. This limit is shown on the declarations page, following a statement that the amount "should not be less than 80% of the estimated value of such property, other than jewelry and furs specifically insured." North America's rules specify that the limit of liability on property on the premises may be \$50,000 if that amount should be less than 80% of the property value. As with the homeowners policies, the

(CONTINUED ON PAGE 30)

American Auto Group Premiums Reach \$82 Million

Net premiums written of American Automobile group of St. Louis in 1955 totaled \$82,131,693, an increase of \$4,794,690, or 6.2%, over 1954. In fire and allied lines, the companies showed a gain of 85.7%, the premiums totaling \$5,672,246, or more than half of the total gain.

The group had a combined loss and expense ratio of 94.9% in 1955 as against 92% in 1954. Statutory underwriting profit for all companies was \$2,076,954 as against \$4,324,799 the previous year, but reserves for unearned premiums increased \$4,731,771 to a total of \$44,359,092. Assets as of Dec. 31 were \$128,217,180, a gain of \$12,774,107, and surplus to policyholders was \$41,609,983, an increase of \$8,791,234. In March of 1955, 250,000 shares of additional stock were issued, increasing capitalization to 1,750,000 shares and providing a net increase in capital funds of \$7,136,260. The companies had an investment income last year of \$2,624,459, an increase of \$299,003.

At the close of the year the previously authorized merger of American Automobile Fire into American Automobile was made effective, and management expects a saving in operating costs.

In 1955 American Auto had earned premiums of \$52,424,827, incurred losses of \$28,692,379, statutory underwriting gain of \$1,976,747, an increase in unearned premium reserve of \$988,587, assets of \$101,030,671, and gross surplus of \$41,609,983.

American Auto Fire closed the year with \$17,750,459 in earned premiums, incurred losses of \$8,969,919, an underwriting loss of \$991,417, increase in unearned premium reserve of \$3,753,397, assets of \$29,929,384, and gross surplus of \$10,147,759.

Associated Indemnity had earned premiums in 1955 of \$7,224,626, incurred losses of \$4,876,851, an underwriting gain of \$1,091,624, a decrease in unearned premium reserve of \$10,205, assets of \$19,899,768, and gross surplus of \$12,494,884.

N. C. Judge Studies North America Rate Deviation Case

An appeal by North Carolina Fire Insurance Rating Bureau and two insurers from an order by Insurance Commissioner Gold allowing a 10% deviation in fire and extended coverage rates by North America was heard in a North Carolina superior court. The judge is reserving judgment until a later date. He will decide whether to dismiss the appeal and restrain the rating bureau from interfering with North America's use of the deviated rate or to set aside Mr. Gold's order and remand the matter to him for public hearing.

Perry Epes of Philadelphia and Charles H. Young of Raleigh, counsel for North America, argued that neither the bureau nor the insurers were aggrieved by the order. They also contended that the bureau and insurers improperly sought court action on grounds that they had not exhausted administrative remedies before appealing to the court.

W. T. Joyner of Raleigh, rating bureau counsel, argued that the bureau was aggrieved because the filing is a material deviation which "goes to the

heart of the rate making process in North Carolina." He said the bureau had neither actual nor formal notice that the deviation would apply to homeowner's policies and therefore had no opportunity for a hearing on this aspect of the deviation.

Individual companies which appealed were American Equitable, Niagara Fire and Home. James H. Bailey of Raleigh, counsel for the companies, said they were aggrieved "by the unusual, unreasonable, and unfair advantage the order has given these companies." North America counsel replied that any competition resulting from the order would be in the public interest.

R. M. Ryan Joins Frank L. Erion Co.

R. M. Ryan, whose resignation as assistant general manager of Western



R. M. Ryan

Adjustment was announced last week, has joined the Frank L. Erion Co. of Chicago, where he will specialize in fire, inland marine and aviation losses. The Erion company, which was started in 1921, is one of the most prominent independent adjusting

firms in the midwest.

Mr. Ryan has been in the adjustment business since 1925 when he started with Southern Adjustment Bureau of Louisville. He was with Southern at Montgomery until 1929 when he joined Western Adjustment at St. Louis. Two years later Mr. Ryan went to the head office in Chicago to organize the marine and aviation departments of Western, and was head of the marine department until 1953 when he was appointed assistant general manager. He has handled many major inland marine and aviation losses in all parts of the country.

Midwest Territorial Conference Offices Readied at St. Paul

Offices have been opened at 416 Minnesota building, St. Paul, by the committee in charge of the Midwest Territorial Conference to be held there April 8-10. George W. Blomgren, secretary of Minnesota Assn. of Insurance Agents, is spending part of his time there and registration blanks and publicity releases will be going out soon.

Speakers for the conference are William H. Gove of St. Paul; Kenneth Ross of Arkansas City, Kan., president of NAIA; A. B. Jackson, president of St. Paul F.&M.; Ralph W. Keller, manager of Minnesota Editors Assn.; Emil L. Lederer, Chicago, chairman of Midwest Conference committee, and Lloyd Berkner of New Rochelle, N.Y., president of Associated Universities, Inc.

New Kansas CPCU Chapter Elects Wanamaker

The new Kansas CPCU chapter, formally organized at a meeting in Wichita, has elected W. O. Wanamaker of Topeka president.

Other officers elected were Bernard J. Weldon of Wichita, vice-president; Harold Krogh of Kansas university, secretary, and Jack E. Landreth of Topeka, treasurer.

Directors and charter members are Lawrence E. Drehmer of Dodge City; Dean E. Matthews of Ashland; F. Paul Heiser and Harold H. Budke, both of Wichita; Charles G. Blakely III and Robert R. Turney, both of Topeka.

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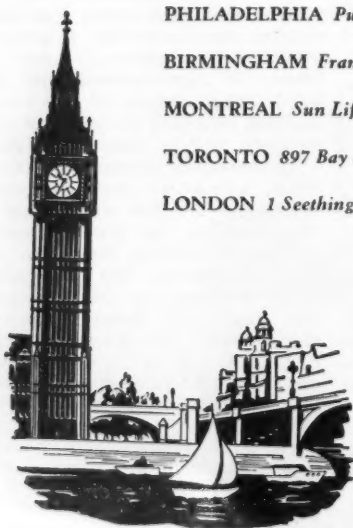
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For Brokers • Agents • Companies

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Around the Clock

Western Adjustment Reports on 1955 Operations; U&O Claims Increase

At the annual meeting of shareholders of Western Adjustment Feb. 2, the following directors were reelected: P. H. Barr, Hanover; P. S. Beebe, Hartford; K. E. Black, Home; R. W. Carter, Aetna Fire; C. E. Dox, London & Lancashire; E. H. Forkel, National Fire; K. B. Hatch, Fire Association; E. A. Henne, America Fore; E. D. Lawson, Fireman's Fund; H. W. Miller, Commercial Union; W. L. Nolen, North British; C. W. Ohlsen, Sun; M. E. Peterson, Springfield F. & M.; W. A. Rattelman, National Union; E. R. Sanborn, Great American; R. B. Shepard Jr., St. Paul F. & M.; Bradford Smith Jr., North America; Clarke Smith, Royal-Liverpool, and G. F. Thomas, Phoenix of Hartford. J. C. Harding and Roy A. Sellery were elected honorary directors.

Officers elected at the directors' meeting are: E. A. Henne, president, C. W. Ohlsen and E. H. Forkel, vice-presidents, Ben M. Butler, vice-president and treasurer, H. W. Rutledge, secretary, J. H. Burlingame, assistant secretary and treasurer, and J. F. Bohner, G. S. Corcoran, W. R. Luehring, S. O. MacLean, G. T. Refoy, D. G. Stentz, J. L. Sybrandt Jr., M. W. Whitelaw and J. G. Young, assistant secretaries.

In his report of operations, Mr. Butler presented an analysis of all losses in excess of \$5,000 by categories. Large losses were substantially similar

in volume to 1954. There was a slight decline in the \$5,000 to \$50,000 group where 4,842 adjusted claims produced an insurance loss of \$50,644,400. In the \$50,000 and over classification, loss frequency increased about 10% with 398 adjusted losses producing an insurance claim of \$58,939,000. Throughout 1955 the time element coverages, business interruption, extra expense,

rent and kindred lines were very active. In the business interruption field loss frequency increased more than 25% and claims paid were more than 50% above the total of 1954. In 61 of the losses over \$5,000 and in 122 of losses under \$5,000 the business interruption loss exceeded the property loss.

Catastrophe operations were less spectacular than in recent years and 18 storm offices involving over 200 men were opened while an additional 210 adjusters were utilized to assist regular branch offices.

In the casualty field, which the or-

ganization entered in 1952, an increase of approximately 45% in the number of adjusted losses was reported, together with a 53% increase in the number of new assignments, 21% of the adjusted claims were bodily injury.

Particular attention was directed to developments which may be expected in cities bordering the Great Lakes from the construction of the St. Lawrence Seaway. This project, Mr. Butler said, promises to have a material influence on business in the area and has prompted the organization to prepare to deal with developments.

Motorists Mutual Names

Arnsbarger Vice-President; Aeschliman Retires

Howard Arnsbarger has been named vice-president, fire division of Motorists Mutual and will be in charge of all of the company's fire insurance. He entered insurance as a Motorists Mutual agent at Swanton, O., in 1934, two years later moved to Ravenna, O., as northeastern Ohio district sales manager and, in 1939, moved to Columbus to manage the fire operation of the Motorists Insurance agency, Inc. Dennis Aeschliman, Bowling Green, after more than 25 years as a Motorists Mutual representative has retired. Mr. and Mrs. Aeschliman attended a banquet and were feted by more than 200 fellow employees.

Mr. Aeschliman entered the insurance business as a Motorists Mutual agent at Montpelier, O., in 1930, and was promoted to district sales manager in 1933. For 22 years he traveled a 13-county area in northwestern Ohio.

Ore. Agents Hold Seminar

University of Oregon held a special three-day seminar on underwriting fire risks sponsored by Oregon Assn. of Insurance Agents.

Lecturers on the program included Ray Knapp, Eugene general agent; A. T. Snow, manager Oregon Rating Bureau; James Stewart, Oregon manager of U.S. Appraisal; Commissioner Taylor; Otis J. Clark, president of Reinsurance Underwriters, and Dr. Mark L. Greene, business administration professor at the university.

New Harleysville Fire Manager

John S. Child has joined Harleysville Mutual as manager of the newly created fire department. He formerly was assistant secretary of Perkiomen Mutual.

To Hold Spring Golf Tournament

Automobile General Adjusters Assn. of San Francisco will hold its spring golf tournament at Sonoma Mission Inn, Feb. 21 and 22. William Steven of Glens Falls is chairman.



Meet "Propeller-Bait O'Brien"

field memo

Ag-Empire Watertown, N.Y.

Dear Folks,

Last week, during a call on agent Fred Michel, I was introduced to a tall stretch of a man with a nervous habit of looking skyward.

"Meet Propeller-Bait O'Brien," said Michel with a wink. "He's here to file a claim with Ag-Empire."

"Propeller-Bait?" I grinned.

"That's not his real name," Michel laughed. "I call him Propeller-Bait because every-where he goes airplanes keep trying to use him for a landing field. Not long ago a C-47 made a shambles of his back shed, and Propeller-Bait was left sitting high and dry with only a copy of 'The World We Live In' to hang on to. Another time a low-flying Sabre-jet belted his TV aerial right in the middle of Arthur Godfrey."

"Yesterday, Propeller-Bait put a Congoleum rug out in his yard for cleaning. It was all covered with silt from the Naugatuck Flood. So what happens - a helicopter tries to land on it, and cuts it to pieces! I'm filing a claim on the loss this afternoon."

"You can't beat Ag-Empire for service," said Propeller-Bait.

The Ag-Empire Man

*Based on an actual claim taken from our files.

P.S.

Ag-Empire paid the claim promptly. Since 1853 Ag-Empire has paid off on some real "dillys" - but this is the weirdest in my experience. Anyway, the town's buzzing about Ag-Empire's promptness. Agent Michel is going to be a busy bee from now on.

Like to learn more about how Ag-Empire's Fast Claim Service pilots more business your way? We're easy to write to.

Agricultural
Insurance Company,
of Watertown, N.Y.

Friendly
Folks

Empire State
Insurance Company,
of Watertown, N.Y.

Ind. Department Moves Closer to Control Over Midwest

INDIANAPOLIS—Two new developments in the Indiana commissioner's efforts to control Midwest of Indianapolis this week are (1) a Marion county judge has declined to issue a restraining order against the commissioner and the safety responsibility division of the motor vehicle bureau, and (2) the office of the Indiana attorney general has filed a suit, at the request of the department, asking that a receiver be named to direct Midwest's operations.

On the first action, which Midwest made in response to a successful effort by Commissioner Davey to have the motor vehicle bureau not accept Midwest's automobile policies, Judge Claycombe of the Marion county circuit court heard preliminary arguments, then ordered the two parties to file briefs at a later hearing. Meanwhile, he declined to issue a temporary restraining order against the commissioner and the safety responsibility division. This, in effect, means that the company's policies still are not recognized, pending a later hearing.

The attorney general's suit for the appointment of a receiver was brought in Vandenberg county (Evansville), which, under Midwest's charter, is the central office of the company. It is because of this charter, dating back to 1832, that the company claims immunity from departmental control. The hearing is set for Feb. 16 in Vandenberg superior court.

D. C. Agents Study Promotion Program

District of Columbia Assn. of Insurance Agents is planning a program to promote public recognition of the independent local agent in an effort to counteract direct writing competition.

A. L. Jagoe, state national director of the association, is chairman of a committee to study problems involved in the promotion. The committee will sift proposals to change the association's name to include the word "insurers" and to make wider use of NAIA's seals and credentials.

California Assn. to Hold Management Conference

Eugene A. Toale, New York manager of Security-Connecticut group, has been named coordinator for the annual

advanced agency management conference of California Assn. of Insurance Agents, to be held at Stanford university, June 24-29.

William E. Hancock, chairman of the conference committee, said the program would be revised to include several new subjects such as agency personnel problems, proper use of form letters and work simplification and office management.

The conference is co-sponsored by the graduate school of business at Stanford and is open to any member of a state association affiliated with the National Association.

The course will be conducted on an informal, lecture basis and active participation by students in class discussions will be encouraged.

Central Mutual of Ohio Has 1955 Premium Gain

Net premiums of Central Mutual of Van Wert increased by 10.6% to \$22,559,063 during 1955. The incurred loss ratio of 44.5% for 1955 was about the same as 1954 and indicated an increase in losses due to broadened coverages.

Total assets on Dec. 31, 1955 were \$43,564,190, an increase of \$2,746,132. Surplus increased by \$600,000 to \$12,974,566.

American Surety Names Westerberg in Minn.

American Surety has appointed Daniel P. Westerberg special agent at Minneapolis.

He received home office training and his appointment upon completion of the required course.

Cosmopolitan Insurers of N. Y. Are Now One

Cosmopolitan Mutual Casualty and its fire affiliate, Cosmopolitan Mutual Fire, have combined into a single company, Cosmopolitan Mutual. Company assets are \$20 million, with a surplus of \$5 million. The company plans to expand its operations into the eastern seaboard states.

FCIC Seeking Stock Insurer Director

Department of Agriculture is seeking a stock company representative to fill a vacancy as a director of federal crop insurance corporation. Another FCIC board vacancy already has been filled with the recent appointment of Marvin McLain of Iowa, new assistant Secretary of Agriculture. Mutuels are represented by C. B. Funderburk of Atlanta, general manager of Cotton States Mutual.

Robert B. Craven has purchased the A. R. Beeson agency at Seattle. Mr. Beeson has retired.

Maryland Casualty Has Record Year

Written premiums of Maryland Casualty for 1955 totaled \$103,369,335,



William T. Harper

largest in its history and an increase of 7.1% over 1954. William T. Harper, chairman and president, reported to stockholders that underwriting profit was \$4,504,160, compared with \$6,905,346 for 1954, which he characterized as an abnormally profitable year for both the company and the casualty business generally.

Surplus to policyholders set a new high of \$67,528,236, against \$61,225,684 for 1954. Assets reached \$195,969,714, highest in company history and an increase of \$16,422,077. Net income for the year after taxes was \$6,331,708, against \$7,447,879. Dividends totaled \$2,953,284 on common stock. In December, directors raised the annual dividend rate from \$1.40 to \$1.50 per share.

A principal achievement of 1955, Mr. Harper reported, and one which it is felt will be of lasting benefit to the company and its stockholders, was simplification of the capital structure by redemption of the remaining preferred stock with the proceeds of an additional issue of common stock. This involved no reduction of capital funds.

Bank Buyers Hear Travel Insurance Talk

Edward Marshall, assistant secretary of North America, addressed Savings Bank Insurance Forum of New York State on travel accident insurance at a business meeting in New York City. Miss Hazel Ahern, insurance manager of Dollar Savings Bank of New York and chairman of the forum, presided.

Hemispheric Parley Set for Buenos Aires

Buenos Aires will be the site for the sixth hemispheric insurance conference Nov. 12-17. John A. Diemand, president of North America, will head the U. S. delegation. Insurance department of U. S. Chamber of Commerce is in charge of arrangements in this country. Argentina Insurance Assn. will be hosts.

Insurance Institute of Southern California will offer a series of courses during the spring semester which include one on agency building and another on training girls for agency work.

Highlights of the Week's News

1955 accidents killed 92,000 and injured 9.2 millionPage 7
North America brings out package cover for tenantsPage 2
American Auto group premiums reach \$82 millionPage 2
Systematic probing of out-of-line hospital-surgical claims pays offPage 26
Western Adjustment reports on 1955 operationsPage 3
American Casualty group has record premium yearPage 16
National Bureau plans to explore auto market studyPage 16

K. J. Heindel Heads American Surety Fire Division

American Surety has appointed Kenneth J. Heindel manager of its new department to handle fire insurance lines. The company later will announce the date on which it will begin to write fire and allied lines.

Mr. Heindel has been in insurance more than 28 years including experience as a special and supervising underwriter in the New England, middle Atlantic and midwest territories. He was with Royal-Liverpool group until 1941 and subsequently with Fireman's Fund.

Florida Orders Auto Collision Refunds

Insurance Commissioner Larson of Florida has ordered 20 insurers selling auto collision coverage in connection with auto financing to refund over \$250,000 in premium overcharges.

Mr. Larson said the overcharges were made through misclassification of owners in class 2 collision. He said the overcharges amounted from \$14 to \$43 per policy.

Fox Named Deputy Pa. Commissioner

William V. Fox Jr. has been appointed deputy insurance commissioner of Pennsylvania in charge of the bureau of rate regulation, succeeding Forrest J. Henry who resigned.

Mr. Fox was assistant to Mr. Henry as acting deputy commissioner. He started in insurance with Standard Accident in 1939. He joined Continental Casualty in 1952 and was Philadelphia manager prior to his appointment with the insurance department.

Kemper Companies Open N. Y. Regional Office

Kemper companies have opened a new office at Pleasantville, N. Y., to service Putnam, Rockland and Westchester counties.

S. M. Harris will supervise production, S. B. Armstrong will be in charge of underwriting and Alexander Yager will be claim manager. The counties were formerly served by the New York City office.

American Auto Names Foisey at Indianapolis

Edward A. Foisey has been named fire field underwriter at Indianapolis for American Automobile.

Mr. Foisey began his insurance career as an inspector with Indiana Rating Bureau in 1946. Four years later he went with Marsh & McLennan at Indianapolis as a sales engineer. For the last five years he has been state agent at Indianapolis for Loyalty group.

Join Casualty Group

Six companies have been elected to Assn. of Casualty & Surety Companies, bringing membership to 133. They are Pacific Fire, Bankers & Shippers, Jersey of New York, Eureka Casualty, Peerless Casualty and Southwest General.

Hamilton Opens Agency at Denver

Darrell Hamilton has opened his own agency in the Boston building, Denver.

Mr. Hamilton was president of A. D. Wilson & Co. real estate firm since 1955 and prior to that time was vice-president in charge of the company's insurance department.



ON INDEPENDENCE SQUARE

Booth, Potter, Seal & Co.

Public Ledger Building

Philadelphia 6, Pa.

REINSURANCE

Compulsory Disability, Liberal WC Bills in Mich. Hopper

LANSING—The current Michigan legislative session is being marked by the heaviest flood in many years of bills seeking to liberalize workmen's compensation laws, most of them somewhat in line with recommendations of Gov. Williams. A measure proposing compulsory disability coverage, also asked by the governor, has been offered, and at least one of the bills seeks to abolish use of private insurers in covering compensation risks.

In general, the majority of the liberalizing measures would fix compensation benefits at a full two-thirds of the average weekly wage, plus \$2 a week extra for each dependent. Widows in death cases would be paid for life or until remarriage and dependency payments would be carried until the youngest child had reached 21. Under one bill a widow who remarried would be paid 100 weeks' benefits in a lump sum. In addition benefits would be paid for loss of hearing and disfigurement and employers would be required to meet all hospital, medical and surgical costs and supply artificial limbs, crutches or any other necessary aids to rehabilitation. The limitation on silicosis payments would be eliminated under some of the bills.

There is a bill in the house to set up a monopolistic state fund under the compensation director, removing all insurance department jurisdiction, but to permit self-insurance by financially responsible employers or employers' associations. Administration costs would be fixed at 8% and 2% of assessments would go to finance inspection and rehabilitation funds.

Another house bill would require provision of disability coverage and would create a special fund to finance it from employer assessments. Two-thirds of the average wage would be paid, not less than \$20, for 26 weeks in any one disability period. The fund would be maintained at \$6 million, or twice the benefits paid in a single year, whichever was larger.

Hartford Accident Names Harris Special Agent

Gale R. Harris has been appointed special agent in Fresno, Cal., by Hartford Accident & Indemnity. His headquarters will be at 833 Fern street. Mr. Harris, who succeeds John Cavanaugh, will service the San Joaquin valley territory along with Roswell Richter, Porter Ainsworth and John Hewitt Jr. He began his career with Hartford in 1951 as an underwriter, was an insurance broker in Oakland for a while and later returned to Hartford as casualty underwriter.

Glens Falls Opens New Texas Claims Office

Glens Falls has opened a new claims office at 401 North Tancagua street, Corpus Christi, Tex., under the direction of Marvin Hinchliffe and H. H. Taylor. Mr. Hinchliffe, formerly with the Dallas office, is claims representative. Mr. Taylor is state claims manager.

Griffith Associates to Meet

Griffith Foundation associates, insurance men who handle the Charles W. Griffith memorial foundation for insurance education at Ohio State university, will meet Feb. 13 at Columbus. R. B. Sherman, state agent for Northern Assurance and president of the associates, will preside.

Complete Plans for Merger of James & Co. with Creth & Sullivan

Negotiations for the merger of Fred S. James & Co., national insurance brokerage firm with general offices in Chicago, and Creth & Sullivan, Inc., Philadelphia, have been completed.

Fred S. James & Co., organized in 1858, has regional offices in New York, Buffalo, Pittsburgh, Seattle, Minneapolis, Portland, San Francisco and Los Angeles, and will now have an office in Philadelphia.

Creth & Sullivan, organized in 1881, is one of Philadelphia's leading insurance brokerage firms in the Delaware valley and will now have the facilities of Fred S. James & Co. on a nationwide basis to serve its industrial accounts.

The general offices of the merged enterprise will be in Chicago.

IBM Starts West Coast Expansion

International Business Machines has started a multi-million dollar expansion of west coast operations. Six new large processing centers, manufacturing plants and office buildings are planned or completed.

Los Angeles will be the site of a 13-story office building and data processing center for 600 employees. Construction will begin this summer. A six story office building for 300 employees is nearing completion in San Francisco. A new manufacturing and engineering building for 1,500 employees will be started at San Jose in the fall. More than 150 employees have recently moved into a new office building in Santa Monica. Data processing centers are planned for Portland, Ore., and Seattle.

Among the industries and businesses on the west coast IBM is supplying or will supply electronic statistical machines, are several insurance companies, Pacific National Fire, Farmers group, Prudential, Occidental Life and State Farm Mutual.

Assigned Risk Smash Hit with Tenn. Agent

Miss Agnes Bennett, an assigned risk insured with State Farm Mutual, drove her late model car out of a Franklin, Tenn., repair shop, sideswiped a passing car, careened across the street and smashed into the front of the J. M. Green local agency.

The car narrowly missed Mr. Green and his son on the sidewalk and crushed filing cabinets, a desk, a typewriter and an adding machine in the agency. Mr. Green estimated his damages at \$5,000.

GAB Promotes McCormick

General Adjustment Bureau has promoted J. R. McCormick from field examiner to assistant manager of the southwestern department automobile division.

Mr. McCormick joined GAB in 1947 at Oklahoma after several years with a national automobile finance company. In 1955, he was promoted to field examiner in the southwestern department at Dallas.

No Change in Danne Operations

Following the recent death of George M. Walpole, president of William C. Danne & Co., Chicago metropolitan supervising agency, the organization will continue to operate unchanged for the present. Future control of the agency and any change in operating arrangement are expected to be decided by Mr. Walpole's family.

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FOR QUALITY PROPERTY INSURANCE, SEE YOUR HOMETOWN AGENT!

there's one right way to buy auto insurance



There's a right and a wrong way to buy automobile insurance—or any other kind of property insurance. It's better, safer, and cheaper to know in advance... before you have had an accident... that you have good insurance, solid protection.

One sure way to get the most for your money, is to see your Home Insurance agent or broker. He is your expert.

The Home Insurance Company provides quality automobile insurance—sold only through qualified independent agents and brokers. There's one near you. See him today.

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The Home Indemnity Company, an affiliate, writes Casualty Insurance, Fidelity and Surety Bonds.
A stock company represented by over 40,000 independent local agents and brokers

This latest Home Insurance Company advertisement does more than stress the importance to car owners of the right insurance...

It emphasizes equally that to get the best protection, they must see the right man.

This ad tells them that the right man is YOU. It tells them why. It can direct good automobile business to your agency—if you cooperate.

Another expert—ready to assist your agency in any way he can—is your Home fieldman. Just call on him.

Hornbeck Heads IM for Anchor Casualty

Anchor Casualty has appointed Jack R. Hornbeck manager of the inland marine division. For five years Mr. Hornbeck has been with the home office and Minnesota inland marine departments of the Phoenix of Hartford group.

Florida CPCUs Rename Donovan President

Hugh W. Donovan, vice-president of B. E. Hardacre agency of Jackson-

ville, was reelected president of Florida chapter of CPCU at the annual meeting in Tampa.

James F. McComb of Lon Worth Crow agency of Miami was elected vice-president and Robert C. Jones of Finley Tucker & Brothers agency of Tampa was reelected secretary. Robert M. Babbitt, vice-president of Joyce & Co. agency of Chicago and one of the founders of CPCU, was guest speaker at the meeting.

J. W. Gartin of Fore addressed the January meeting of Nashville Assn. of Insurance Women on the homeowners policy. Miss Sara Green, president, and Miss Clara Conyer were elected delegates to the regional convention in Parkersburg, W. Va., March 23-25.

Six New Officers at Providence Washington

Four officers were promoted and two new officers were elected by Providence Washington. Promoted from assistant secretary to secretary are George T. Broadbent, Curtis L. Reeves and George S. Story. Fred L. Jaquith, assistant treasurer, was named treasurer and George L. Bedford and Gordon H. Vandermark were named assistant secretaries.

Mr. Broadbent joined the company in 1920 and has been assistant secre-

tary since 1947. He is head of the fire underwriting department.

Mr. Reeves went with the company in 1924 and became assistant secretary in 1952. He is in charge of first party claims.

Mr. Story has been assistant secretary since 1953 and is in charge of the ocean marine and multiple peril departments. He joined the company in 1950.

Mr. Jaquith joined the company in 1950 and became assistant treasurer in 1954. Mr. Bedford, with the company since 1952, has been investment manager the past year. Mr. Vandermark, who has been general manager in charge of automobile and casualty underwriting, joined the company in 1950.

Mass. Cracks Down on Driver Classification

Massachusetts Insurance Commissioner Humphreys has charged four out-of-state insurers with overcharging motorists \$250,000 on collision insurance. He said he has ordered the companies, which he did not identify, to return the money and show cause why their licenses to do business in the state should not be revoked or suspended.

He said the companies placed 10,000 drivers in wrong classifications, including some in the under-25 group, which must pay 44% more than the regular collision premiums. The overcharges were discovered in a survey of records of lump charges in auto sales, finance and insurance agreements, he said. A measure under consideration by the legislature is designed to help prevent further abuses, he said.

Central Mutual of Ohio Names Two Special Agents

Central Mutual of Van Wert has appointed Murray D. Kerr special agent for north central Ohio and Mark W. Houser Jr. special agent for South Carolina and Georgia.

Mr. Kerr joined the company in 1952 in the multiple perils department and received training for agency work. His previous experience includes insurance investigation and sales.

Mr. Houser had several years of insurance experience prior to joining Central.



Phoenix of London officials received a Treasury Department citation for boosting employee participation in the payroll savings bond plan from 9 to 57%. Left to right are Donald W. Fraser, N.Y. savings bonds sales director; J. R. Robinson, deputy U.S. manager and executive vice-president; H. Lloyd Jones, U.S. manager, and F. E. Newton, secretary-treasurer. Of the 747 employees in the New York offices, a total of 425 are now buying bonds regularly through payroll savings, whereas only 68 were participating before the campaign.

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The building and paying for a home is often a lifetime job. That is why this elderly couple is so grateful to their local insurance agent. This friend of fire insurance be increased materially to equal the actual cash value of the home of Mr. and Mrs. Bradford, aged 63 and 61, respectively.

After their home had been totally destroyed by fire, Mr. Bradford realized that he would not have had the time, courage or money to rebuild if it had not been for the increase in his fire insurance, the result of the foresight and insistence of his insurance agent.

No one can successfully take the place of an experienced and competent insurance agent.

Glens Falls Insurance Board

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Loomis Agency, Inc.
K. C. Abbott and Co., Inc.
Michael C. Linehan
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Basil Durkee
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The advice and services of these insurance agents are at your service to you at your telephone.

Newspaper Mats at below cost...

In the interests of the American Agency System, mats of the newspaper advertisement shown are offered in two- and three-column sizes at below cost — \$1.50 for either size. The mats are arranged to accommodate the signature of an agent, local insurance board or association, and portray the place of the local agent in his community.



1955 Accidents Killed 92,000 and Injured 9.2 Million

National Safety Council has reported that 92,000 persons were killed and 9.2 million injured in 1955 accidents at an estimated cost of more than \$10.3 billion in lost wages, medical expenses and overhead costs of insurance, production delays, and damage to equipment in work accidents and property damage from traffic accidents and fires.

The all-accident death toll compares with a total of 89,432 in 1954—an increase of 3%. The population death rate, however, increased only 1% because of a relatively greater increase in population.

Motor vehicle accidents remained the nation's number one accident killer. The 1955 death toll reached 38,300 or 8% more than the total of 35,586 in 1954 but less than the all-time high of 39,969 in 1941.

The year was marked by a steady upward trend in traffic deaths. Every month except January and February brought more deaths than the corresponding month of 1954. The December, 1955, traffic death toll was 3,960—up 12% from 1954, and the largest monthly total since December, 1941.

Traffic accidents caused approximately 1,350,000 nonfatal injuries in 1955. The value of property destroyed and damaged by 1955 traffic accidents was estimated at \$1¼ billion. All costs, including medical expense, overhead costs of insurance and motor vehicle property damage, were \$4.7 billion.

Vehicle mileage in 1955 was estimated at 6% above 1954, and 78% above 1941. Thus the death rate per 100 million vehicle miles was estimated at 6.4 or 2% higher than in 1954, which had the lowest rate on record.

Home accidents claimed the second largest number of lives, although the 1955 total of 27,000 deaths was about 500 below that of 1954. Poisons, poisonous gas and mechanical suffocation were the accident types which record the principal reductions. Disabling injuries from home accidents numbered 4,050,000. Wage loss, medical expense and the overhead costs of insurance were estimated at \$750 million.

Deaths from work accidents in 1955 totaled 14,200—an increase of 200 from 1954—while disabling injuries from work accidents numbered approximately 1,900,000 compared with 1,850,000 in 1954. Economic loss from work accidents was about \$3.3 billion.

The 1955 death total for public accidents other than motor vehicle was approximately 16,000 or 500 more than 1954 while disabling injuries totaled 2 million. Wage loss, medical expense and overhead costs of insurance totaled about \$750 million.

The 1955 all-accident death rate was 56 per 100,000 population compared to 55.5 in 1954 and only the second time in the history of accident records that the rate has fallen below 60. The 1955 rate was 27% under the rate for 1941.

The statistics also show that one of every 18 persons in the United States suffered a disabling injury in 1955.

Deaths in air transport accidents and from burns and drownings were more numerous than in 1954, while deaths in other transport accidents and from falls decreased. There were 179 deaths in seven accidents in domestic passenger-carrying operations

of scheduled air carriers. The passenger death rate per 100 million passenger-miles in 1955 was .75 as compared to the all-time low of .09 in 1954. In the first nine months of 1955, the railroad accident death toll was 1,808. Of these, 12 were passenger deaths, 912 were grade crossing fatalities and 618 were trespasser deaths.

There were 19,800 deaths as a result of falls, 6,100 from burns, 6,400 from drowning and 2,300 from firearm accidents.

Catastrophes, in which the death toll was at least five persons, occurred

more frequently in 1955 than 1954. The 1,500 death total was an increase of about 300 over 1954. Four catastrophes in 1955 caused more than 50 deaths each—the August hurricanes and floods in the northeastern states, the May tornadoes in Kansas and adjacent states, the December floods in California and Oregon, and the crash of a scheduled passenger plane in Wyoming in October. Five other catastrophes brought death tolls of 25 to 48 persons.

North Carolina Assn. of Insurance Women will hold its annual convention at the Mid Pines Club, Southern Pines, N. C., May 4-6.

St. Louis Casualty Executives Elect Pruess

Paul V. Pruess of Massachusetts Bonding has been elected president of Casualty Executives Assn. of St. Louis.

William C. Casey of National Surety was named vice-president and William Klosterman of Loyalty group was elected secretary-treasurer.

Members of the executive committee are James C. Searles of Fidelity & Deposit, Howard Blair of Aetna Casualty, Henry Bush of U.S.F.&G., E. C. Kotlmeier of Fidelity & Casualty and Louis H. Antoine of American Auto.



MEETING OF SPECIALISTS!

American College of Surgeons? No!
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... It's a gathering of men who can play an equally important part in your welfare. YOUR SECURITY IS THEIR BUSINESS!

They are insurance specialists—Local Agents at one of many meetings held during the year to discuss and study the latest developments in property and liability insurance.

Like other competent professional men—even after long training, examination and licensing—they know that they must keep themselves informed in order to provide you with the best protection available.

Because your entire financial welfare may depend upon the insurance you carry, it is important to deal with an experienced insurance agent or broker.

Only such a specialist is competent to analyze your insurance needs so that you will have proper coverage.

For the name of a nearby America Fore Agent call Western Union by number and ask for Operator 25.



* The Continental Insurance Company
* Niagara Fire Insurance Company

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INSURANCE GROUP

* Fidelity-Phoenix Fire Insurance Company
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This message will reach 80 million readers of THE SATURDAY EVENING POST, LIFE, READER'S DIGEST, TIME, NEWSWEEK, NATIONAL GEOGRAPHIC, FORTUNE to give them a better understanding of the importance of insuring through the independent local insurance agent or broker.

Combs to Ask Control of Insurance Stock Sales

LITTLE ROCK — Commissioner Combs will ask the 1957 legislature to transfer to the department the authority to approve and control sale of insurance stocks of newly organized companies.

His announcement was prompted primarily by a recent stock sale of the newly formed General Life of Arkansas. The company sold some 100,000 shares of stock to the public at \$15 a share, while some 157,000 shares which carried majority voting control of the company were bought by General Life organizers at \$1 a share.

Under present law, the sales of all types of stocks is regulated by the blue sky division of the state banking department.

Following the commissioner's statement, State Bank Commissioner Richard Simpson said he would tighten up on "promotional life insurance stock sales" to halt what he called an overflow of the Texas insurance industry into Arkansas. He said he had no intention of letting the situation get out of control as it has in Texas and that there would be no more 15 to 1 ratios between the prices of stock held privately and that sold publicly.

Mr. Combs pointed out that General Life has met all of the legal requirements for operation and that there is no reason to think that the company may not be successful.

National of Hartford Elevates Breeding

Robert L. Breeding has been named superintendent of the marine department at the home office of National of

Hartford group. The past two years he has been marine supervisor of the group at New Orleans. He will supervise the production and underwriting of inland marine, ocean marine and multiple peril business.

James R. Watson will succeed Mr. Breeding at New Orleans.

Western Adjustment Holds School for Casualty Men

A casualty adjusters school was held recently by Western Adjustment with 30 adjusters, representing all of the 13 states in which Western operates, in attendance.

The school was conducted under the supervision of J. G. Young, manager of the casualty division. M. M. Schulte, O. V. Ashley and J. C. Hegarty, casualty supervisors, and G. S. Corcoran, manager of the automobile department, assisted in presenting the instructional material. Workmen's compensation, garage liability, burglary, plate glass, public liability, garage keepers' legal liability and automobile were thoroughly reviewed. Considerable time was spent discussing the laws pertaining to agency, contracts, torts and the use of the non-waiver agreement. The balance of the agenda was comprised of lectures covering statement taking, the importance of pictures and diagrams, reports, releases and settlements.

Mutuals Revise OL&T

OL&T bodily injury rates for area and frontage classes have been revised in 29 states and District of Columbia by Mutual Insurance Rating Bureau, effective Feb. 8.

The rates range from a decrease of 16.6% to an increase of 25%. There are over-all decreases in seven states, increases in 18 and no over-all change in five.

Storekeepers liability rates also have been revised in a few states.

Orders Hearing on N. C. Deviation Case

North Carolina Judge Hobgood has directed that the North America deviation case be sent back to Insurance Commissioner Gold with instructions to afford North Carolina Fire Insurance Rating Bureau and interested companies opportunity for a hearing.

At the same time, the judge set aside Mr. Gold's order granting North America and Philadelphia Fire & Marine a 10% deviation in fire and extended coverage rates. The judge denied North America a motion to dismiss the bureau appeal and declared that three appealing companies, Home, Niagara Fire and American Equitable, also are entitled to hearing.

The court stipulated that its order was without prejudice to the merits of the question. The order left North America faced with the decision of whether to appeal or go back for a hearing. If the case is appealed, the supreme court will probably not reach it until fall. North America has until Feb. 13 to decide what to do.

The rating bureau is opposing the deviation on the contention it would result in unfair and destructive competition among member companies. The bureau claims it was not properly notified before Commissioner Gold approved the deviation Nov. 23. North America contends the bureau had actual notice, could not appeal because it was not aggrieved by Mr. Gold's order and had waived a hearing. The judge ruled the bureau was aggrieved, that Mr. Gold failed to notify the bureau and that a controversial letter from bureau Manager W. S. Bizzell did not constitute a waiver of hearing.

Report on 1955 Operations of Utah Auto AR Plan

The 1955 operations of Utah automobile assigned risk plan, reported by manager Robert L. Hilton, show 1,182 new applications and 1,623 renewal assignments, for a total of 2,805. Of the applications and renewals, policies were issued for 1,805 and applications were rejected for cause or not taken by applicants in 1,000 cases.

There were 1,738 private passenger cars assigned and written last year, 54 commercial cars, 11 non-owner cars and two miscellaneous. As of Dec. 31, the plan had 856 new policies in force and 797 renewals.

In the report of new and renewal assigned risks written, based on 1954 net automobile BI premiums, reports shows the leader to be State Farm Mutual Automobile, followed by Farmers Exchange, Allstate, the bankrupt Inland Empire, and U.S.F.&G. Inland Empire, of course, is now out of the plan.

Cramsie Agency, Chicago, Promotes Three Associates

Frank A. Cramsie Co., Chicago metropolitan supervising agency, has promoted to assistant vice-presidents J. R. Wilson, E. J. Weglarz, and J. S. Falk. All three have been associated with Mr. Cramsie in the agency business at Chicago. Mr. Weglarz for 18 years, Mr. Falk for 16 and Mr. Wilson for six.

Cramsie Co. recently increased its office space by 25%.

Set I-Day at Jersey City

Hudson County (N.J.) Assn. of Insurance Agents will hold its annual I-Day at the Hotel Plaza, Jersey City, March 20.

The main feature of the day will be a panel discussion of the automobile policy and the handling and processing of first and third party claims. Panel

members are W. H. Brewster, manager of National Bureau of Casualty Underwriters; Allan McCarthy, eastern branch secretary of National Automobile Underwriters Assn.; Harold Feuerstein, counsel of New Jersey Assn. of Insurance Agents, and Earl F. Leach, assistant general manager of General Adjustment Bureau.

N. J. Rating Bureau Adds Two Executives

Compensation Rating & Inspection Bureau of New Jersey has appointed Robert R. Heckman and Robert C. Loughlin to the executive staff and has confirmed the retirements of Thomas F. Smith and Miss Mabel Gosling. The appointments were the first to the staff since 1943.

Mr. Heckman will continue to supervise underwriting and will also direct the former inspection division and the assigned risk plan. He joined the bureau in 1947.

Mr. Loughlin will continue to supervise rating and unit plan divisions. He also joined the bureau in 1947.

Mr. Smith joined the bureau in 1928. He was supervisor of the inspection division.

Miss Gosling was the 12th person employed by the bureau after it began official operations in 1917. She was chief rater in the bureau.

10 in Ky. Department Feel Chandler Ax

Gov. Chandler of Kentucky terminated the jobs of 679 state employees as of Jan. 31, among them 10 members of the insurance department. Charles M. Blackburn, state personnel director, said there may have been some mistakes in compiling the lists of those to be fired, but he said if there are indispensable persons included, department heads can notify him and they will be rehired.

Since Gov. Chandler took office he has fired more than 1,000 state employees, and this does not include the numerous persons who resigned when the administration changed Dec. 13.

Among those notified of their job termination Jan. 31 were State Fire Marshall J. T. Underwood.

In the insurance department notices were sent to H. L. Nisbet, Leota Deringer, C. W. Hall, Jackinell Phelps, K. J. Huddleston, Dora Moore, J. B. Ray, Harriet Stephens, Mildred Stewart, and Mr. Underwood.

AFIA's Legion Honors Arpert, Terhune

American Foreign Insurance Association's Legion at a luncheon in New York honored Eric Arpert and Albert I. Terhune who have marked 35 and 30 years respectively with the association.

Mr. Arpert, vice-president and secretary, started with AFIA in the head office brokerage department and, in subsequent years, handled fire losses, agency advertising, finances and investment. He was named assistant secretary in 1938, secretary in 1942, secretary-treasurer in 1952, assistant general manager in 1954 and vice-president this year.

Mr. Terhune, superintendent of branch and agency administrative operations overseas, started his insurance career with Appleton & Cox. He joined AFIA in 1926 and was named to his present post in 1953.

N. Y. Bill Would Cut Insurers from WC

A bill has been introduced in New York legislature which would eliminate all insurers except the state fund from workmen's compensation. Introduced by Rep. Santangelo, it does not affect or attempt to change the provisions for self insurers.

**THE COMPANY THAT
"SHOOTS STRAIGHT"
WITH ITS AGENTS**



Only by "SHOOTING STRAIGHT" with AGENTS can our COMPANY be certain that the ASSURED receives dependable and courteous service

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HOUSTON FIRE AND CASUALTY INSURANCE CO.
GENERAL INSURANCE CORPORATION
 MAIN OFFICE • FORT WORTH, TEXAS
 EASTERN DEPARTMENT — PHILADELPHIA PACIFIC COAST DEPARTMENT — PASADENA, CALIF.

Hold Cal. Regional Meet at Los Angeles

Vice-president James P. Bennet and Executive Secretary Trev Burrow of California Assn. of Insurance Agents were featured speakers at a regional meeting of California Assn. of Insurance Agents at Los Angeles last week.

Mr. Bennet discussed the reduction in auto rates, the elimination of surcharges, the \$50 deductible on auto policies and Commissioner McConnell's bulletin on the proposed course of study for agents and solicitors.

He suggested that Hugo Burgwald Jr., president of the Los Angeles association, appoint two committees to study methods for improving insurance business in the state. Other local boards have been asked to make a study which will be combined in a state-wide report.

Mr. Burrow outlined the speed safety campaign which the state association will sponsor this year and said the association will sponsor several seminars on the commercial block policy throughout the state.

New Fire Rating Book Published for Towns

New York Fire Rating Organization has published an explanatory booklet on the inspection and grading of community fire defenses entitled, *Who Are the Underwriters?* Eastern Underwriters Assn. has recommended it for distribution to municipal officials by all rating organizations in its territory.

The booklet, written by James Blowers, organization chief engineer, explains methods of municipal inspection, the effect of these inspections on rating organizations' evaluations and how the results are translated into insurance rates.

Detailing its rating formulation, the booklet points out conditions found in a community are compared with a standard known as the National Board grading schedule, a yardstick for underwriting evaluation. It defines standards and is a measure of a community's fire defenses. By comparison one or more classifications are assigned to a community.

The class designation indicates the rate base to be used on many classes of property including the large dwelling group. This basic rate also becomes an integral part in the calculation of individual rates on larger valued commercial and industrial properties. Rates, of course, vary to some degree with types of construction, occupancy and use, hazards and exposures. However, since the key rate is used in computation of community property fire insurance rates and since the key is based on comparative value of the community's fire protection facilities, the higher the quality of such protection, the lower will be the rates.

Sutton Named V-P of ICT

ICT of Dallas has appointed John J. Sutton vice-president and claims manager. He has been with a Denver law firm specializing in legal research and trial work.

Mr. Sutton replaces Stanley E. Prichard who has become executive vice-president of Gulf Union Casualty of Baton Rouge.

Before going into legal work in Denver, Mr. Sutton was with Prudential in the legal-claims department for 11 years and later with North America in claims work.

Opens New Home Office

More than 2,500 visitors attended the formal opening of the new home office building of Western Fire & Indemnity at Lubbock, Tex. The company has shown a steady growth since

it was organized in 1953 and is now licensed in Texas, New Mexico, Utah and Nevada. The company's premium volume for 1955 was more than \$1 million.

Pacific Board PR Meet Set for March 26 at S.F.

The annual public relations conference of the Pacific Board will be held at the Fairmont Hotel, San Francisco, March 26. It is an all-day conference. E. E. Erickson, Fire Association and chairman of the PR committee of the board, will preside.

E. H. Hosford Joins Kansas City F.&M.

E. H. Hosford has been named manager of the casualty department of Kansas City F.&M.

He has been superintendent of the casualty department of Central Surety for 10 years.

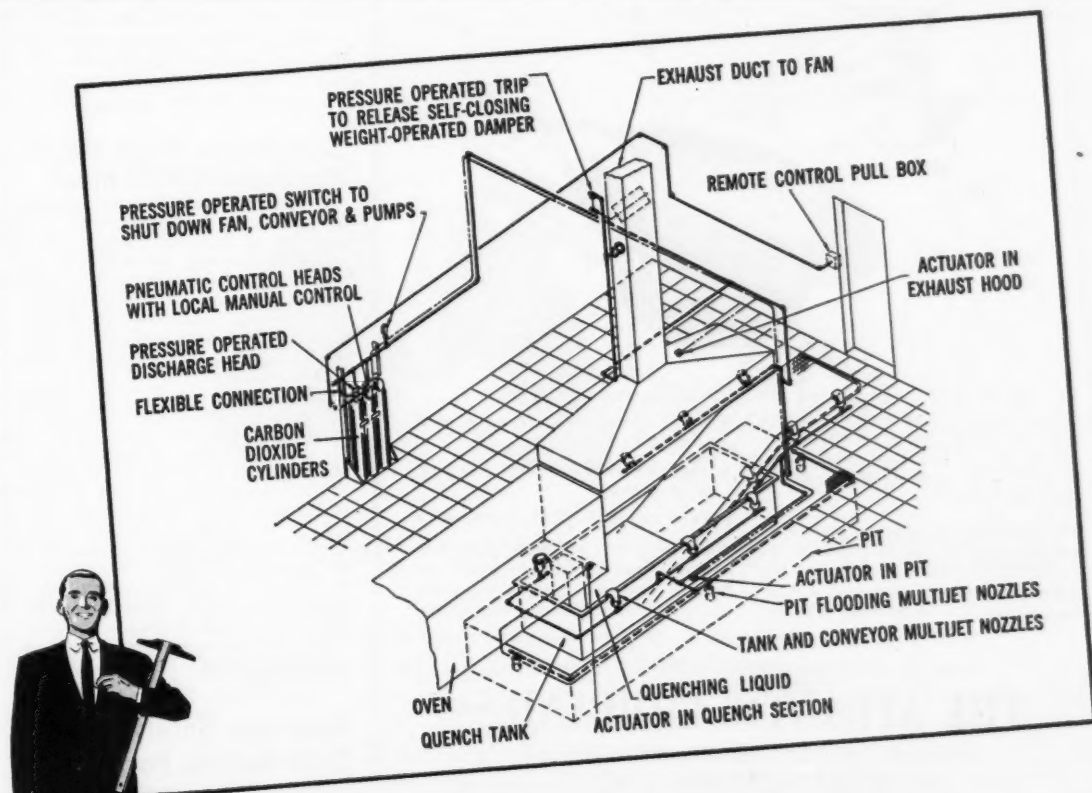
J. R. Churchman, departmental secretary of Kansas City F. & M., who has been supervising casualty underwriting, will devote his entire time in the future to casualty production as well as the over-all direction of one

of the company's territories. The company plans to broaden its casualty operations.

Badger Mutual Reports on 1955

The 1955 statement of Badger Mutual shows assets of \$9,001,779, a gain of \$1.1 million; surplus of \$2,044,480, a gain of \$200,000; premiums of \$6,190,841, a gain of 20%, an unearned premium reserve of \$3,684,504, a gain of \$600,000.

Poughkeepsie, N. Y. branch of General Adjustment Bureau has moved to new offices at 2 La Grange street.



HAZARDS LIKE QUENCH TANKS... NEED THIS SPECIAL FIRE PROTECTION!

IN THE PLAN ABOVE, you see a typical Kidde fire extinguishing system installation for the protection of one of industry's most dangerous fire hazards. However, all Kidde quench tank installations are not exactly like this one, since Kidde treats each quench tank as a special hazard which requires special fire protection!

Using safe, efficient carbon dioxide, Kidde systems snuff flames quickly, cleanly. The CO₂ leaves no mess to harm machinery or equipment, will not even damage work-in-process. And, thanks to patented Kidde rate-of-temperature-rise detectors, Kidde systems remain on guard 24 hours a day, completely independent of outside power sources.

Kidde systems use no clumsy mechanical triggering methods, have no falling weights. Pneumatic or Electrical Control Heads insure instant and complete CO₂ discharge. The moving parts of a Kidde

system are self-enclosed for safety, need no replacement after a fire, have easy-to-read visual indicators which show at a glance if system is "set" or "released." What's more, special Directional Valves on the Kidde system let you protect more than one hazard from the same cylinder bank, giving you the most versatile protection on the market today!

Without obligating yourself in any way, let the Kidde man analyze the fire hazards in your plant. Then let him show you our recommendations. For more information, write Kidde today.

Kidde

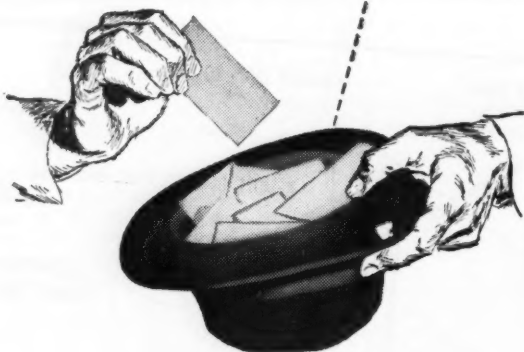
The words 'Kidde', 'Lux', 'Lux-O-Matic', 'Fyre-Freez' and the Kidde seal are trademarks of Walter Kidde & Company, Inc.

Walter Kidde & Company, Inc.
243 Main Street, Belleville 9, N. J.

Walter Kidde & Company of Canada, Ltd., Montreal-Toronto



Use your head ...not your hat!



Things every
Insurance Buyer
should know—No. 80

You just can't pick out of a hat the right insurance company to protect you and your family against serious fire or casualty losses. You have too much at stake to make such an important decision by chance.

The right way to select an insurance company is to consult a competent, independent insurance agent or broker. He is a professional, he is unbiased, and he knows vital facts about many different

companies, such as:

- ★ **Their financial strength and stability**
- ★ **Their record for prompt, fair payment of claims**
- ★ **Their service facilities in your area**

While you're at it, ask your independent insurance man to tell you about the Atlantic Companies—and the benefits which they offer to their policyholders.

Business Established 1842

THE ATLANTIC COMPANIES

ATLANTIC MUTUAL INSURANCE COMPANY
CENTENNIAL INSURANCE COMPANY

49 Wall Street • New York 5

Baltimore • Boston • Charlotte • Chicago • Cincinnati • Cleveland • Columbus • Dallas • Detroit
Grand Rapids • Houston • Indianapolis • Los Angeles • Milwaukee • Newark • New Haven • New Orleans
Philadelphia • Pittsburgh • Portland • Richmond • St. Louis • San Francisco • Seattle • Syracuse

Marine, Fire, Inland Transportation, Yacht, Property Floaters, Automobile and Casualty Insurance

This advertisement appears in the country's leading newspapers

Hartford Steam Boiler Sets New Records in 1955

Hartford Steam Boiler set new records in earned premiums, underwriting profit and surplus in 1955. Written premiums were \$19,131,177, less by \$1,515,168 than the record volume established in 1954.

Earned premiums were \$18,486,581, up \$1,022,684. Incurred losses were \$4,206,461 and the loss ratio was 22.8%, compared with 22.5%.

Underwriting expenses, including incurred losses, were \$15,970,122, and underwriting profit was \$2,516,459.

Policyholders surplus gained \$3,726,554 and stood at \$26,534,576 and total assets reached \$63,180,319. Both are the highest in the company's history.

Commercial Block Panel Highlights CPCU Meet

A panel discussion of commercial block policies highlighted the January meeting of Indiana chapter of CPCU. Richard Fowler, manager of inland marine and multiple peril department for Indiana Lumberman's Mutual, was the leading panelist, analyzing the TIRB policy and explaining the formation of and the thinking behind the mutual policy.

He pointed out that the policy, in his opinion, reflects more influence of inland marine men than of fire men. Mr. Fowler was supported by three Indianapolis local agents, Donald Dean of City Securities, Edward E. McLaren of Barton, Curle & McLaren, and Don Ellis of Hadley-Mahoney, each of whom described the special filings of individual companies. Mr. Dean took the Great American policy, Mr. McLaren the North America, and Mr. Ellis the Chubb & Son.

Several members commented on the excellence of Mr. Fowler's handling of the subject.

American Surety Head Calls Region Parleys

W. E. McKell, president of American Surety, has scheduled a series of regional conferences with branch managers. He will meet with midwestern managers in Chicago Feb. 16-18; with southern and southwestern managers in Memphis March 1-3, and with eastern managers in Atlantic City late in March or early in April. He previously conferred with west coast and Rocky mountain managers in San Francisco.

American Casualty Promotes Mount

American Casualty has appointed Thomas K. Mount assistant secretary. He will be national production manager of the fidelity and surety departments with headquarters in the home office. He joined the surety department in 1954.

The company has also moved its Kansas City office to 1012 Baltimore avenue. Increased activity in the Kansas City area was responsible for the change to larger quarters.

No. Cal. Buyers Set Risk Management Seminar

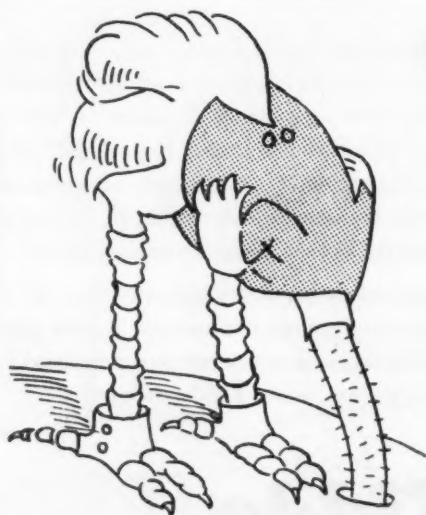
The Northern California chapter of American Society of Insurance Management is sponsoring a 16-week risk management seminar at Golden Gate college, San Francisco. It is under the direction of Dean Howard Martin of the college's school of insurance.

Instructors include R. B. Masters of New Zealand, Kenneth Withers of General Adjustment Bureau, A. G. Westcott of Union Ice Co., Ray White and J. A. Crockwell of Pacific Gas & Electric, R. W. Humphrey of Southern Pacific Co., O. E. Wees of Crown Zellerbach Co., A. E. Nugent of Kaiser Aluminum & Chemical Corp. and F. W. Greenslaw of Kaiser Industries.

Among the topics being discussed are administration of insurance, self insurance programs, insurance and taxes, contracts, consequential insurance coverages, loss prevention activities, adjusting a U&O loss, designing a workable insurance program and departmental handling of workmen's compensation liability claims.

At its January meeting, the chapter heard a discussion of model insurance programs by panel members Robert En-triken of Fireman's Fund group, John Holland of the Withoff & Farley agency and F. W. Greenslaw of the Kaiser Industries.

The panel used a hypothetical corporation's operations as a basis for a model program. Among the coverages recommended were comprehensive liability, non-owned aircraft liability, third party property damage, fidelity, forgery, workmen's compensation, mercantile block and commercial block. Suggestions were also made for marketing such coverages and interest was evinced in the report that the American insurance market is now willing to write property damage liability formerly available only through London Lloyds.



FACE THE FACTS! — — — ABOUT YOUR INSURANCE BUSINESS USE THE OFFICE THAT SPECIALIZES

BODILY INJURY — PROPERTY DAMAGE, FIRE, THEFT AND COLLISION

Taxis
Livery Cars
U-Drive-It Cars
Motor Busses
Motor Bikes
Motorcycles
Local Trucks

Long Haul Trucks
Bob-Tail-Dead Heading
Gasoline Haulers
Live Stock Haulers
Propane Haulers
Butane Haulers
Produce Haulers

KURT HITKE & COMPANY, INC.

MANAGING GENERAL AGENTS SINCE 1926

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DALLAS 5, TEXAS

903 CENTRAL BANK BLDG.
DENVER 2, COLO.

343 NO. CALVERT ST.
BALTIMORE 2, MD.

7950 BISCAYNE BLVD.
MIAMI 38, FLA.

Insurance Lawyers Name Committees

Insurance section of American Bar Assn. has appointed new committee chairmen and has set its annual meeting for Aug. 27-31 in Dallas.

New chairmen are Victor A. Lutnicki of Boston, membership; Hugh E. Reynolds of Indianapolis, publications; Wyatt Jacobs of Chicago, auto insurance law; Suel O. Arnold of Milwaukee, aviation insurance law; E. G. Poxon Jr. of Detroit, casualty law; John J. Malley of New York, fidelity and surety law; Milford L. Landis of Van Wert, O., fire law; and C. C. Frazier of Lincoln, Neb., health & accident law.

Also John V. Bloys of New York, life law; John M. Aherne of New York, marine and inland marine law; J. Roth Crabbe of Columbus, O., regulation of insurance companies; Robert P. Hobson of Louisville, rules and procedure; Wayne E. Stichter of Toledo, trial tactics; John R. Dixon of St. Louis, WC and employees' liability insurance; James K. Honey of New York, compulsory non-occupational disability benefits; R. L. Dillard of Dallas, insurance law education; Lowell D. Snorf Jr. of Chicago, public relations, and L. Duncan Lloyd of Chicago, London committee.

New Procedure to Speed AR Assignments in Minn.

Applicants for insurance under the Minnesota automobile assigned risk plan as of July 1 will be required to attach a photostatic copy of their driver's license record to the assignment application. The requirement applies also to any driver resident in the applicant's household who has had a motor vehicle conviction during the preceding 36 months.

The photostat copies may be obtained from the state highway department, and the introduction of the procedure, it is hoped, will speed up processing of assignments. The plan has been sending back 28.7% of all new applications to the agent of record at least once and 4.5% a second time because of errors and omissions in the driver's record. Had the motor vehicle record been attached to the applications in the past, 46.8% of risks declared ineligible would have been eligible, it is estimated.

American Casualty Opens New Branch

American Casualty has opened a new branch office in Salt Lake City with Gordon Noble manager in charge of operations in Utah and sections of Idaho, Wyoming and Nevada. It is the 47th branch office of the company and the third to be opened this year.

Renn Pauley, formerly of the home office staff, will be casualty manager. John Gatfield will be claims manager.

Sprinkler Association Elects Fee President

National Automatic Sprinkler and Fire Control Assn. has elected Frank J. Fee of Mount Vernon, N. Y., president. Mr. Fee is president of Reliable Automatic Sprinkler Co., one of the 14 automatic fire sprinkler manufacturing firms in the association. He succeeds John J. Power of Youngstown, O., executive vice-president of Automatic Sprinkler Corp. of America.

OL&T Increased 5% in Minnesota

OL&T bodily injury liability rates have been increased in Minnesota by National Bureau of Casualty Underwriters an average of 5% for area and frontage classifications and 1% for

miscellaneous classifications, effective Feb. 1.

The area and frontage classifications affected include stores, hotels, churches, hospitals, clubs, restaurants, apartments and tenements, boarding or rooming houses and mercantile and office buildings. The miscellaneous classifications include baseball parks, exhibitions, golf courses, swimming pools, skating rinks, real estate developments, vending machines and self service laundries. School, theatre and residence classifications also are affected.

Asks Revision of Mass. Compulsory

Gov. Herter has urged the Massachusetts legislature to suspend the demerit surcharge plan for compulsory auto insurance and to create a special study commission to reconstruct highway safety and insurance laws.

Though both of these measures were recommended by his own special

citizens committee, the governor doubts that the \$500,000 in surcharges already collected by insurance companies should be refunded. Companies have scaled 1956 rates for point-free drivers in anticipation of added revenues from demerited car owners.

The governor wants legislation to include barring the use of points for premium surcharges and make assessment of points by the registrar of motor vehicles discretionary instead of mandatory.



ASK THE MAN WHO KNOWS!

A recent survey designed to find out the methods of advertising used by producers shows there is confusion as to what advertising media to use, and how.

The most popular media are newspapers, direct-mail and novelties, with newspapers first. Opinions as to the most productive, however, varied from agency to agency, from territory to territory.

One obvious fact that did emerge was that there is a need for professional advertising counsel at the local agency level. That's why we have been advocating for some time that an agent, before planning an advertising campaign, *ask the man who knows!* Since it's the business of the advertising manager to help the local agent do an economical, profitable advertising job, that seems a most sensible approach to follow.

Why not get the opinion of our Advertising Department on your advertising plans, in order to make this year a BIG '56? You might just as well get the most for your money advertising-wise.

NORTH BRITISH AND MERCANTILE INSURANCE COMPANY LIMITED
THE PENNSYLVANIA FIRE INSURANCE COMPANY
THE COMMONWEALTH INSURANCE COMPANY OF NEW YORK
THE MERCANTILE INSURANCE COMPANY OF AMERICA
THE HOMELAND INSURANCE COMPANY OF AMERICA

Administrative Office: 150 William Street, New York 38, N. Y.

THE OCEAN MARINE INSURANCE COMPANY LIMITED

Administrative Office: 55 John Street, New York 38, N. Y.

CENTRAL SURETY AND INSURANCE CORPORATION

Home Office: 1737 McGee St., Kansas City 41, Mo.

PACIFIC DEPARTMENT—SAN FRANCISCO 4, CALIF. • SOUTHERN DEPARTMENT—ATLANTA 8, GA.
 MIDWESTERN DEPARTMENT—CHICAGO 6, ILL. • WESTERN DEPARTMENT—KANSAS CITY 41, MO.
 PHILADELPHIA DEPT.—PHILADELPHIA 3, PA. • MICHIGAN-OHIO DEPT.—DETROIT 26, MICH.

Cage & Co. Ends Management of ICT Group

DALLAS—Management of the three companies in the ICT group of Dallas, which has been carried on since their organization by Jack Cage & Co., has been terminated by mutual agreement, effective Feb. 1.

Under the new arrangement each of the companies, ICT, ICT Life and ICT Corp., will be operated by its new officers and directors, who incidentally were the officers of Jack Cage & Co. that managed those companies in the group set up.

The most important executive change was the election of James G. Cage, formerly executive vice-president, to be president of the ICT and chairman of its executive and investment committees and a director. Ben-Jack Cage, his cousin, remains as board chairman, which post he had held along with the presidency.

In his announcement, Ben-Jack Cage said in part: "Jack Cage & Co. has specialized in the management of all the business of the new companies through their organizational stages. We believe that it is no longer necessary for the ICT group to receive the full-time services of a separate management company and that their business affairs can now be most efficiently supervised by their own directors and officers.

Other officers of ICT, principal unit in the group, are: Vice presidents—C. O. Blackburn, W. J. Harris, Jerry Holleman and Paul C. Sparks; vice-president in charge of claims—John J. Sutton; assistant vice-presidents—Ralph A. Belknap and Weldon H. Harris, and secretary-treasurer—E. A. McSpadden.

John G. Vaughan has been named president and chairman of ICT Life, subject to formal approval by the directors at a meeting March 2.

Officers of ICT Corp., with Ben-Jack Cage as chairman, are: President, J. A. McFaddin; vice presidents—John G. Vaughan, Nile E. Ball and Paul C. Sparks; secretary-treasurer—Francis J. Knoll, and assistant vice-president—Everett Latiolais.

James Cage has been in insurance

since 1939, except for three years in the marines. He first joined Cravens, Dargan & Co., becoming manager of the marine and special risks department. In 1946 he went with William H. McGee & Co. in New York. After service as assistant manager in Chicago, he was appointed midwestern manager in charge of 15 states in 1948, and was transferred to San Francisco in 1950 as resident vice-president in charge of the Pacific department. He joined Jack Cage & Co. early in 1954, becoming manager of the fire and casualty division, and then was advanced last July to executive vice-president.

James Cage said the company would continue its conservative underwriting program initiated last year along with its withdrawal from operations in some 20 states. At present most of its business is confined to Texas.

Selected Risks Shows 7.1% Premium Gain

Selected Risks group wrote premiums totaling \$9,137,491 in 1955 for a 7.1% gain over 1954.

Underwriting profit, before taxes, was \$96,486. The incurred loss ratio for Selected Risks Indemnity increased from 61.6% to 63.7% while the expense ratio increased from 33% to 34%. Selected Risks Fire showed a loss ratio decrease from 58.4% to 53.1% but an expense ratio increase from 38.2% to 40.2%.

House Group Sinks Ike's Flood Plan

The House banking committee has turned down the administration's \$3 billion flood insurance plan, terming it "entirely unworkable."

The administration's plan called for policyholders to pay 60% of the premiums, with the federal and state governments splitting the remaining cost.

Rep. Spence (D) of Kentucky, chairman of the committee, said the administration's plan would not provide uniform rates for policyholders or rates that the average man could afford.

Cincinnati Agents Reelect L. A. Hellmings

Cincinnati Underwriters Assn. has reelected L. A. Hellmings of A. W. Shell & Co. president and George Guckenberger of Barkdull & Guckenberger vice-president. J. F. Schweer remains secretary.

Grain Assn. Elects Ludington; Expands in 14 More States

Frank L. Ludington, Atlas, was elected president of Underwriters Grain Assn. at the annual meeting in Chicago last week. Manager C. E. Harbin reported the organization had a satisfactory year in 1955.

The vice-presidents of Grain Association are H. A. Clark of Loyalty group, R. W. Carter of Aetna Fire, and E. R. Sanborn of Great America. R. C. Steinbeck is secretary and H. R. Stanton is treasurer. Both are with Grain Assn.

The executive committee is comprised of P. S. Beebe, Hartford Fire; J. L. Erhardt, Royal-Liverpool; J. G. McFarland, American; V. L. Montgomery, North America; C. W. Ohlsen, Sun; Leonard Peterson, Home; M. E. Peterson, Springfield F. & M.; R. B. Shepard Jr., St. Paul F. & M., and H. P. Winter, America Fore.

E. H. Born and K. S. Ogilvie of Western Underwriters Assn. and Mr. Harbin are the attorneys-in-fact.

Mr. Harbin said that in addition to the 10 western states previously served, Grain Assn. can now accept business in Alabama, California, Colorado, Delaware, Kentucky, Maryland, New Jersey, New York, North Dakota, Oregon, Pennsylvania, South Dakota, Tennessee and Washington. Additional territorial expansion is in progress.

A change has been made in policy so that the association can accept coverage on grain handling and processing plants owned and operated by terminal grain elevator operators. Heretofore coverage has been limited to terminal grain elevators only.

Inland Empire Suit Is Refined in Indiana

The receiver for Inland Empire wasted no time in filing a second suit to recover the company's \$20,000 deposited with the Indiana department. After its first suit had been denied on a technicality. On the original suit, Judge Cale Holder held the action was premature because there had not yet been an order from the Utah court directing Inland Empire to discontinue doing business in Indiana. The receiver secured the order immediately and refiled, so that the status of the case is, in

effect, the same as it was a few weeks ago. The hearing for the new suit is set for Feb. 20 in district federal court in Indianapolis. The receiver for Inland Empire is seeking to recover its \$20,000, deposited with the department about a year ago. The department's position is that it wants the federal court to determine the priority of Indiana claimants to the money before it releases the money.

Conrad Olson to Address Indianapolis Local Agents

Conrad W. Olson, well known independent agent from Jamestown, N. Y., who until 1954 was the employee of Allstate, will address an evening meeting of Indianapolis Insurance Board Feb. 14, at the Marrott hotel. Mr. Olson, who has recently opened his own agency, will tell the best methods independent agents can use to combat direct-writer competition and "price-selling."

Maine Bonding Asks 40% Stock Dividend

Maine Bonding & Casualty has proposed a 40% stock dividend and a sale of 30,000 new shares of stock in an effort to raise present capitalization from \$500,000 to \$1 million. Stockholders will vote on the proposals Feb. 17. If approved, this would be the second stock dividend in two years. A 25% stock distribution was made in 1954. Investment firms quote current share prices at \$31.

The company has been admitted to Virginia with B. P. Carter Co. agency of Richmond as operations manager. Now the company is licensed, in addition to Maine and Virginia, in Texas, New Hampshire and Vermont.

Casualty Association Urges Road Program

Assn. of Casualty & Surety Companies has urged Congress to enact a 40,000-mile national highway program.

Thomas N. Boate, manager of the association's accident prevention department, said the roads not only would alleviate increasing traffic problems, but would also reduce accident potentials if accompanied by an educational program emphasizing safe speed limits, adequate police supervision and strict law enforcement.

CORRECTION

The statement in the Nov. 24 issue of THE NATIONAL UNDERWRITER that personal jewelry rates in the non-metropolitan areas for the \$40,000 coverage above \$10,000 are "reduced from 75 to 60 cents per \$100 and for coverage in excess of \$50,000 the rate was reduced from 50 to 35 cents" is incorrect. The rates for the \$40,000 above \$10,000 remain at 75 cents, and the rates for coverage in excess of \$50,000 remain at 50 cents. These are the same rates that are charged for risks in metropolitan territories, under the changes announced effective Dec. 1 by Inland Marine Insurance Bureau.

Hear Layton at Cleveland

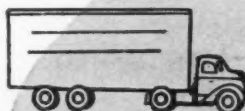
Richard J. Layton, vice-president of Rough Notes Co. of Indianapolis, addressed Insurance Board of Cleveland Feb. 7. About 200 agents heard him describe better office management and work simplification procedures which free the agent from office detail and greatly increase his actual selling time in order to meet the competition he is now facing.

Elect Link at Seattle

Charles Link, Fireman's Fund, was elected president of Seattle Board of Marine Underwriters. Other officers are E. M. Terry, vice president, and F. W. Perry, secretary-treasurer.



GASOLINE



LONG HAUL

Our automatic treaties combine, on a quota share basis, American Stock Companies and Lloyd's, London, providing strength and security for you and your insureds. The classes of coverage listed below are merely a few of those available to your agency.

Long Haul Trucks
Butane and Propane
General Liability

Anhydrous Ammonia
Busses
Products

Unusual and Hazardous Lines, Liability and Physical Damage

OFFICES TO SERVE YOU IN

Albuquerque
Atlanta
Dallas

Denver
Los Angeles
Oklahoma City

Seattle
St. Louis
And More To Come

Homer Bray Service, Inc.

P. O. Box 1008

HOME OFFICE

Albuquerque, New Mexico



Johnson Named at L. A. by Aetna Casualty

Donald M. Johnson has been appointed to succeed Leland Mann, retiring Los Angeles manager of Aetna Casualty. Mr. Mann's retirement after 30 years as Los Angeles manager was announced previously in THE NATIONAL UNDERWRITER.

Mr. Johnson has been superintendent of the agency department at Los Angeles since 1950. He joined Aetna Casualty in 1946 and became field representative at Los Angeles.

Excelsior Stockholders to Vote on Increase in Capital and Surplus

Stockholders of Excelsior Feb. 13 will vote on a proposal to increase capital and surplus. At the close of 1955, Excelsior's capital was \$1,050,000 and surplus was in excess of \$700,000. During the year capital had been increased from \$900,000 and surplus was increased \$100,000 by the sale of 25,000 new shares of stock at \$10 per share.

The new proposal is to authorize an additional issue of 25,000 shares, the time and terms of the offering to be left to the discretion of the directors. Presumably it would be made sometime during 1956. This would have the effect of increasing capital to \$1,200,000 and making a further contribution to surplus.

Q & A Book Shows Real Savvy of the Business

Questions and Answers on Insurance by the late W. E. Boyd Jr. and Cameron S. Toole, of Travelers group, is one of the first books of this kind which meets the objection to most question and answer books that they fail to give those who study them a real understanding of the business. This is done in this 467-page book by providing a brief description of covers as a preface to each Q and A presentation. This procedure and the chapter on definition of terms in the first part of the book make it possible for the student to grasp what is treated in the catechism section.

The primary purposes of the book are to provide a Q and A reference for brokers and agents as well as a review and preparatory text for passing state license examinations. All principal lines written by fire and casualty companies are treated. The answers are clear and definite and can prove an excellent office source book for quick answers to questions most often asked. Brief discussions of policy form make the book a primary text for beginning students and office assistants.

The book is published by Prentice-Hall.

Mr. Boyd was for many years in the home office of Travelers where he served both as an insurance engineer and as an educational instructor and guide. He died some months ago. Mr. Toole is manager of Travelers Fire in New York City and has had a long and varied experience as a branch manager and as an educational director at the home office.

Cavanah Shifts to Ariz.

John D. Cavanah, special agent for Hartford Accident at Fresno, Cal., has been transferred to Phoenix, where he will assist Wallace Perry in handling business in Arizona. He succeeds Andrew McGarry, who has been transferred to Sacramento.

Adjusting Course Planned

School of Insurance of Insurance Society of New York is offering a course on property loss adjusting at its Long Island division. Leo L. Kling, Long Island branch manager of General Adjustment Bureau, is the instructor. Classes are being held Tuesday and

Thursday evenings in the America Fore building, 47 Mineola boulevard, Mineola.

Security-Conn. Opens Buffalo Field Office

Security-Connecticut group has opened a new field office in Buffalo at 3491 Delaware avenue. John R. Adams has been appointed special agent in charge of all lines. Mr. Adams has been a casualty special agent of Hartford Accident in upstate New York. He is a CPCU.

Part of UM Illegal, N. Y. Bar Assn. Told

Emanuel F. Morgenbesser, secretary and general counsel of Cosmopolitan Mutual, termed the trust agreement of the new uninsured motorists' endorsement in violation of the personal property law in his talk at the annual meeting of New York State Bar Assn. in New York City.

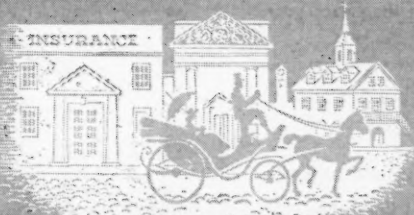
Mr. Morgenbesser said the law states that a claim or demand, where it is to recover damages for personal injury,

may not be transferred. He said a claim under UM cover is the same, in this case, as a right to recovery. The trust agreement specifies that insured shall hold in trust for the benefit of the company all rights of recovery against the driver of the uninsured car.

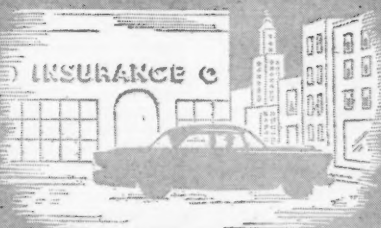
Tormoehlen Joins Local Agency

Kenneth A. Tormoehlen, formerly assistant manager at Portland, Ore., for Seeley & Co. general agency, has joined Smith & Crakes, Eugene, Ore., local agency. He succeeds E. J. Doll, who resigned.

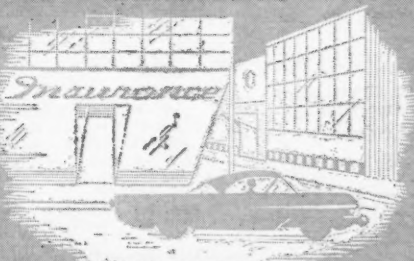
The local insurance agent



Here YESTERDAY...



Here TODAY...



Here TOMORROW...

The man you know and trust

Consult your insurance agent as you would your doctor or lawyer

U.S.F.&G.

CASUALTY-FIRE-MARINE INSURANCE
FIDELITY-SURETY BONDS

United States Fidelity & Guaranty Company
Baltimore 3, Maryland

Fidelity Insurance Company of Canada, Toronto

Fidelity & Guaranty Insurance Underwriters, Inc.
Baltimore 3, Maryland

U.S.F.&G. AGENTS

This is one of a series of advertisements, appearing in TIME, BUSINESS WEEK, NEWSWEEK and NATION'S BUSINESS, designed to help increase your business.





Lightweight, low in cost, this centuries-old hat fits a particular need.



Quite a different need is served by this famous hat of the palace guard.

Carefully fitted protection...

is a major factor in building your business and your reputation as an insurance man. Like other well-established capital stock companies, London & Lancashire's choice of modern coverages gives your assured a "custom fit".

We think you will agree: what serves your assured best is best for your business.

THE LONDON & LANCASHIRE GROUP



A firm friend
of the
American Agency System

THE LONDON & LANCASHIRE INSURANCE COMPANY, LTD.
ORIENT INSURANCE COMPANY
LAW UNION & ROCK INSURANCE COMPANY, LTD.
SAFEGUARD INSURANCE COMPANY OF NEW YORK
STANDARD MARINE INSURANCE COMPANY, LTD. (Fire Department)
LONDON & LANCASHIRE INDEMNITY COMPANY OF AMERICA

A LIFE OPPORTUNITY FOR CASUALTY MEN

If your premium income is off or not increasing fast enough to suit you, write Kansas City Life Insurance Company. We can show you how to build it up quickly. It is an ideal solution now being used by hundreds.

C. W. Arnold,
Superintendent of Agencies

Kansas City Life
Insurance Company

Box 139,
Kansas City 41, Missouri

Convention Dates

Feb. 21, Fire Department Instructors conference, Memphis.
Feb. 22-24, Michigan Assn. of Insurance Agents, midyear, Sheraton-Cadillac hotel, Detroit.
Feb. 27, West Virginia I-Day, Fredrick hotel, Huntington.
March 5-7, National Assn. of Surety Bond Producers, annual, Roosevelt hotel, New Orleans.
March 7-8, Fire Underwriters Assn. of the Pacific, annual, Sheraton-Palace hotel, San Francisco.
March 9-10, State Mutual Agents Assn. of Pa., annual, Ben Franklin hotel, Philadelphia.
March 9-10, Tri State Assn. of Mutual Insurance Agents, annual, Ben Franklin hotel, Philadelphia.
March 12-13, New Jersey Assn. of Insurance Agents, midyear, Berkeley-Carteret hotel, Asbury Park.
March 22-24, Texas Assn. of Mutual Insurance Agents, spring meeting, Austin.
March 23-24, Assn. of Insurance Attorneys, annual, Atlanta, Ga.
March 26-27, Far West Agents conference, annual, Sheraton-Palace hotel, San Francisco.
April 3-4, Virginia-D.C. Assn. of Mutual Insurance Agents, annual, Homestead, Hot Springs, W. Va.
April 4, Chicago Insurance Day, Palmer House.
April 5-6, Directors of National Assn. of Casualty & Surety Agents, Ambassador hotel, Chicago.
April 5-7, Southern Agents Conference, Francis Marion hotel, Charleston, S. C.
April 8-10, National Assn. of Insurance Agents, midwest territorial conference, St. Paul.
April 8-10, Mutual Agents Assn. of New York, annual, Hotel Syracuse, Syracuse.
April 9, Milwaukee Insurance Day, Hotel Astor.
April 13-14, Colorado Insurers Assn., annual, Broadmoor hotel, Colorado Springs.
April 13-14, Rocky Mountain Territorial Conference, Broadmoor hotel, Colorado Springs.
April 15-17, Mississippi Assn. of Mutual Insurance Agents, annual, Vicksburg hotel, Vicksburg.
April 18, Rhode Island Assn. of Insurance Agents, midyear, Sheraton-Biltmore hotel, Providence.
April 16-17, Iowa Assn. of Mutual Insurance Agents, annual, Hotel Savery, Des Moines.
April 22-25, Eastern Agents Conference, annual, Hotel Statler, Hartford.
April 23-25, State National Directors of NAIA, midyear, Hotel Statler, Hartford.
April 30-May 2, Chamber of Commerce of the U.S., annual, Washington, D. C.
April 30-May 2, Iowa Assn. of Insurance Agents, annual, Hotel Savery, Des Moines.
May 3-5, Louisiana Assn. of Insurance Agents, annual, Edgewater Gulf hotel, Edgewater Park, Miss.
May 3-5, National Assn. of Independent Insurance Adjusters, annual, San Souci hotel, Miami Beach.
May 6-8, Florida Assn. of Mutual Insurance Agents, annual, The Colonnades, Riviera Beach.
May 6-8, Alabama Assn. of Insurance Agents, annual, Whitley hotel, Montgomery.
May 7-8, New York Assn. of Insurance Agents, annual, Syracuse.
May 7-9, Board of Fire Underwriters of the Pacific, Santa Barbara Biltmore hotel, Santa Barbara.
May 9-11, American Management Assn., insurance conference, Roosevelt hotel, New York.
May 10, Surety Assn. of America, annual, New York.
May 10-12, Florida Assn. of Insurance Agents, annual, George Washington hotel, Jacksonville.
May 13-16, H&A Underwriters Conference, annual, Hotel Statler, Boston.
May 14, National Bureau of Casualty Underwriters, annual, New York.
May 14-15, Kentucky Assn. of Insurance Agents, Western District, Kenlake State Park, Hardin.
May 14-15, Oklahoma Assn. of Insurance Agents, annual, Mayo hotel, Tulsa.
May 16-18, National Assn. of Insurance Brokers, Boston.
May 17-19, North Carolina Assn. of Insurance Agents, annual, Hotel Carolina, Pinehurst.
May 17-19, Texas Assn. of Insurance Agents, annual, San Antonio.
May 17-19, Arkansas Assn. of Insurance Agents, Arlington hotel, Hot Springs.
May 20-22, Insurance Accounting & Statistical Assn., Hotel New Yorker, New York.
May 20-23, Inland Marine Underwriters Assn., annual, Shawnee Inn, Shawnee, Pa.
May 20-23, Inland Marine Insurance Bureau, annual, Shawnee Inn, Shawnee, Pa.
May 21-22, Kentucky Assn. of Insurance Agents, Eastern District, Cumberland Falls State Park, Corbin.
May 21-23, American Assn. of Managing General Agents, annual, Shamrock hotel, Houston.
May 23, Midwestern Independent Statistical Service, annual, Bismarck hotel, Chicago.
May 23, National Automobile Underwriters Assn., annual, Roosevelt hotel, New York.
May 23-25, Georgia Assn. of Insurance Agents, annual, Oglethorpe hotel, Savannah.



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COMMENTS - TRENDS - OBSERVATIONS

General of Seattle to Use Electronic System

General of Seattle is the first property insurer on the Pacific coast to install a complete electronic system for billing policyholders, rerating policies and handling accounting problems.

The system, designed and built by ElectroData Corp., has been labeled the GENIAC—General Ins. Co. automatic computer. The equipment weighs more than four tons and will be primarily used to handle the more than 200,000 Safeco automobile policies processed every six months. The computer stores its data on magnetic tapes. One tape will hold the equivalent of 50,000 punch cards, effecting a 93% reduction in General's present storage rate. An employee required three minutes to perform an accuracy check on a policy. The task can be performed by GENIAC in 1½ seconds. It has an internal memory mechanism with a capacity of 4,080 words which allows it to do as much work in eight hours as an employee could perform in six months. The GENIAC can prepare as many as 10 reports simultaneously and record them automatically on IBM line printers at the rate of 300 lines per minute. It would take 144 skilled typists to match this performance.

Preparation for the arrival of the equipment began more than four months ago. A specially constructed 30x50 feet glass encased room was built to house the electronic elements. The temperature in the area is constantly maintained at 72 degrees with no more than 50% humidity. All air entering the room is filtered so as to prevent dust from accumulating within the working parts of the machine.

Willis L. Campbell, company president, said, "The GENIAC's function is to provide better service and to continue to reduce operating expenses so that lower cost insurance can be offered to the public. This is not a case of automation replacing manpower, but instead, a means of solving our ever increasing problem of rapid expansion."

Stuffer Stresses Local Agent Service

American Casualty has issued a pamphlet, which can be used as an envelope stuffer by agencies, which describes what the local agent means to insured.

Make sure that service is part of the policy, the pamphlet states. It points out that not all insurance comes equipped with the services of a local, independent, professional insurance agent. When a loss occurs, the local agent forgets his established office hours and is on call 24 hours a day.

The pamphlet points out that the professional agent is not the employee of any company, nor a clerk behind a counter. With the agent, insured's interests come first and if a difference of opinion should arise, he is always on insured's side.

The leaflet also has a few words to

say about bargain insurance. In insurance, it reads, as in most things one buys, the cheapest price seldom buys the best value. In a bargain policy something must be sacrificed. It may mean the substitution of restricted coverages, the lack of a competent agent's services, a tough attitude on claims, or a scrimping on company services.

American Uses New Mobile File System

Clerks literally ride herd on American of Newark's new open-shelf file system in the Newark and Rockford offices.

The clerks ride a mobile desk and chair unit on a permanent track parallel with the length of the three-decked shelves. Each mobile unit is equipped with a telephone to permit the clerk to furnish information from the daily report records without having to leave her position. The Newark office alone contains more than 2 million daily reports.

In addition to making available more space for expansion, the open shelf units occupy far less floor area than the conventional file cabinets they replaced. A high speed reproduction machine to provide not only the records department but other departments with instant electronic copies of policy records is included in the installation.

Company Presidents Find Answering Calls Is Good Business

At least five presidents of major insurance companies in Hartford are using the telephone to promote better relations with stockholders, policyholders, employees and the public.

They answer calls directed to them personally. They do not allow a secretary to screen their calls.

The *Hartford Courant* in a recent article reported a test it made to ascertain how many company presidents in the city could be reached directly by telephone. Out of 75 calls to presidents of principal companies, only five answered personally when the company telephone operator was given the name of the president wanted. All others were answered by secretaries.

Taking a dig at what it called the "New York secretarial technique," the newspaper stated there are signs of a trend toward its adoption in Hartford. It has already been encountered in a few of the smaller businesses, the paper stated, and it's only slightly less grueling than efforts to reach top brass in New York.

The executives who do answer the telephone personally indicated they get a personal satisfaction out of taking the calls and find that it is good business to do so.

The presidents interviewed were James C. Hullett of Hartford Fire, Peter M. Fraser of Connecticut Mutual Life, H. B. Collamore of National Fire, Wilson C. Jansen of Hartford Accident and Lyman B. Brainerd of Hartford Steam Boiler.

One president said that when his

telephone rings he knows someone wants to speak with him, not his secretary. Besides, he said he likes to answer his own calls. Another said that since one never knows who might be on the line, the person calling may have a nice bit of business for the company. The caller feels better when he talks directly without waiting for a secretary to set up the call.

Another said that it might be a policyholder who believes he has business that should have the president's attention and, when he gets it, he is better satisfied. Another felt that presidents are elected to serve policyholders and stockholders who feel they have a right to talk with the president when they call.

Ohio Survey Shows 10% of Motorists Uninsured

A survey by Insurance Federation of Ohio showed that at least 10.1% of Ohio motorists involved in reportable accidents are not insured.

Of 186,477 motorists involved in reportable accidents during the first nine months of 1955, 105,676 were insured, 11,820 were not and the status of the remaining 68,981 has not been determined.

The poorer counties of the state have the greatest number of uninsured motorists, according to the report, while the rich, farming areas show the largest number of insured motorists.

Insurance School Gets Loan Fund in Honor of Frenchman

A student loan fund has been established at Insurance Society of New York's school of insurance in honor of a young French insurance man killed last year in an African hunting accident.

Jean Beraud-Villars set up the fund in cooperation with Arthur C. Goerlich, dean of the school, and Owen E. Barker, president of Appleton & Cox, in honor of his son, Marcel Beraud-Villars for whom it is named. Marcel had intended to continue his insurance training during the summer at Appleton & Cox. The elder Beraud-Villars is president of De La Cie L'Assurances La Minerva, Paris insurance company, and correspondent of Board of Underwriters (Marine), New York.

The fund money was originally deposited in this country for the boy's use after his arrival. Mr. Beraud-Villars decided to leave the money here to be used in educating young insurance men.

Agency Saves Files in Fire

All the files and important records were saved from a fire which gutted the Bailey agency of Northampton, Mass., according to Frank H. Doane, local agent. The agency is operating in new quarters at 16 Center street there. Mr. Doane expressed appreciation for the offers of assistance from company officials, field men and other agents.

R. P. Smith & Son agency of Woonsocket, R. I., is celebrating its centennial anniversary.

N. J. Zurich Office Features Novel Open-Air Files

Zurich disclosed an unusual filing system at the opening of its new northern New Jersey service office at 177 Oakwood avenue, Orange. Termed "open-end filing," the new system discards cabinets, which require twice as much floor space, and places at fingertip control tens of thousands of records and pieces of correspondence.

The new office, completely air-conditioned, occupies the entire second floor of a reconstructed, two-story, brick structure just north of Orange's main business district. According to C. P. Cunningham, assistant U.S. manager in charge of eastern operations, it will house a 20-man field force responsible for all of New Jersey north of Trenton and parts of Rockland county in New York. The field force, under the command of Thomas J. Fitzpatrick, claims manager, will handle production, claims, audit and engineering for all casualty and boiler and machinery lines but no underwriting, Mr. Cunningham added. The production will be supervised by Walter Downey, Clifford Oakerson and Harold Jonasson. The staff includes a five woman secretarial force.

More than 40 persons, including office staff members, field men and home office representatives, attended the afternoon cocktail party officially christening the new completely paneled office. Included in the eastern division delegation was N. T. Robertson, superintendent of agents, and W. W. Chalmers, superintendent of claims.

A complete, modern kitchen has been built into the rear of the second floor quarters.

To the rear of the kitchen is the novel filing system. Mr. Cunningham explained that the nine banks of open-filed material would fill 26 five-drawer cabinets that would completely ring the room and overflow into the main office. As it is now, the open-end files fill less than half the room. Upper banks are easily accessible with a lightweight, dolly-wheel ladder. Mr. Cunningham said that at present the files are being used to store "dead" records and correspondence. He added that if the system works out satisfactorily, the eastern office and other service offices will adopt it. It is practical only where the file room or office is air-conditioned, since the purified air will not permit dust and dirt to collect. He said at present there are only one or two other major corporations using this system. The large main room of the office contains a switchboard and 21 desks for field personnel. There are four separate offices just to the side. Another room holds clerical and secretarial desks.

The building, completely redecorated and refurbished, formerly housed a laundry. Two other firms share first-floor space.

Record Premium Year for American Casualty Group

American Casualty group's written premiums in 1955 burgeoned to a record \$74,343,560, 13.35% more than in 1954, President Harold G. Evans has reported to stockholders. Automobile accounted for 38.63% of the total, which was down from the 40.11% of total writings it represented in 1954. However, Automobile showed a \$2,-



Harold G. Evans

414,513 gain to \$28,721,866. All lines but fidelity and surety, which lost \$104,626 to \$2,861,013, showed gains. However, the big gainers were A&S, up \$3,144,501 to \$17,063,593, and fire and allied lines, up \$2,134,510, to \$9,850,363.

American Casualty increased its pol-

icyholders surplus \$2,501,892 to \$16,784,197, another all time high, and American Aviation & General's policyholders surplus went up \$1,154,819 to a record \$5,873,741. Assets of the parent company rose to \$61,539,252, up \$9,182,357, and assets of the affiliate rose \$2,614,964 to \$15,417,589.

For the group, losses and loss expense incurred to premiums earned was 61.24% for 1955, 2.27% above 1954. Operating expenses were 37.5%, .9% below 1954, but losses and expenses combined were 98.74, 2.18% above 1954.

Mr. Evans said that increases in accident frequency and severity in auto BI during the fourth quarter resulted in a marked deterioration in experience and produced an underwriting loss for the year.

OK Christian Science Treatment

The Texas department has approved an endorsement recognizing for the purposes of "medical services" or "surgical services" treatment by authorized Christian Science practitioners and care by nurses and in Christian Science nursing homes under the automobile medical payments coverage.

National Bureau to Explore Auto Market Study

National Bureau has engaged an independent research organization to conduct an exploratory market study of automobile insurance. National Assn. of Insurance Agents, National Assn. of Casualty & Surety Agents, and National Assn. of Insurance Brokers are cooperating with the bureau in the planning of the study.

The exploratory market analysis will provide a basis for determining how valuable and desirable a large scale countrywide study would be. The bureau will pay the cost of the study.

Weiss, Haller Are Named by Industrial Indemnity

John Weiss, formerly in the personnel division of Hydrocarbon Research, Inc., of New York, has been appointed assistant home office personnel manager of Industrial Indemnity at San Francisco. He replaces Forbes King, who was recently transferred to Los Angeles as assistant division manager.

Industrial Indemnity also has named John Haller underwriting manager at Sacramento. He has been a home office underwriter and replaces Donald Elliott, who has been recalled to the home office.

AFIA Opens Branch in Northern Brazil

American Foreign Insurance Association has opened a new branch office in Recife, Brazil. It is the first American insurance office in northern Brazil and the fifth AFIA branch in the country.

Jose Dalvancy Rego Barros is manager of the new office. It will represent the two AFIA member companies admitted in Brazil, Home and Great American, as well as Uniao Brasileira-Cia. de Seguros Gerais.

Southwell Retires from GAB in Florida

Charles T. Southwell has retired as manager of General Adjustment Bureau at Jacksonville, Fla., after 25 years with the bureau. He is succeeded by Lyle J. Vernier, senior adjuster in the office.

J. R. Carson has been named manager of GAB at Brunswick, Ga., which formerly operated under jurisdiction of the Savannah branch. He was formerly adjuster-in-charge at Brunswick.

Walla Walla Agents Elect

Walla Walla (Wash.) County Insurance Assn. has elected Reeves Malcolm president, Sam Schneidmiller vice-president and William Quirk secretary-treasurer.

Otho McLean, retiring president, reviewed highlights of the year which included sponsoring safe driving courses, a teen-age conference, assisting the Walla Walla chamber of commerce in its nationwide fire class and inaugurating a new school insurance program.

Holmes After 7th Term

John J. Holmes, Montana state auditor and insurance commissioner, has announced his candidacy for election to his seventh term of office. He has no announced opposition in either party for the June 5 primary.

Mr. Holmes was first elected to office in 1932. As state auditor he also is head of the investment department and fire marshal department as well as in-

surance commissioner. His salary is \$6,000 a year, but under a 1955 legislative act it would be \$7,500 if he is re-elected.

Greater N. Y. Brokers Win Coercion Fight

New York insurance department has forced Serial Federal Savings & Loan Assn. of New York to stop supplying expiration date information to New York General agency for solicitation purposes on complaint of Greater New York Insurance Brokers' Assn. The brokers' association charged that the lending institution had been furnishing the expiration data from policies in its possession in connection with mortgage loans.

The association has also lodged a complaint against Automobile Club of New York and Automobile Club of New York agency charging that the agency controls the club and uses the membership lists for solicitation. The brokers add that the club is a chartered membership corporation and not entitled to engage in a business for profit.

Warns of Violations of Countersignature Law

Commissioner Duncan of Alaska has issued a warning that persons attempting to circumvent the new territorial countersignature law will be subject to penalties including revocation of license. In a recent bulletin, the commissioner said attempts are being made to circumvent and violate the section requiring a 5% countersigning fee to be paid to licensed resident agents. The department will investigate any attempt, direct or indirect, designed to disobey the mandatory provisions of this chapter, he said. Any agent, broker, association or company violating any of the provisions shall be subject to criminal prosecution.

To Coast Engineering Post for Travelers

Harold L. Scheideman has been appointed assistant superintendent of the engineering and loss control division of Travelers. He will supervise engineering work at the home office for branch offices on the Pacific coast and in the Rocky Mountain states.

He joined Travelers in 1940 as an engineer at Kansas City. He was appointed resident engineer in 1945 at Denver. In 1953, he was named supervising engineer at San Francisco, and the following year was promoted to regional supervising engineer there. In 1955, he became district supervising engineer at the home office.

Country Companies Plan Round-Up Banquet

Country Life, Country Mutual Fire, and Country Casualty companies are planning a three day meeting at the Edgewater Beach hotel, Chicago, Feb. 26-28.

Otto Steffey, president of Illinois Agricultural Assn., Edward McPaul, Northwestern university, G. H. True, University of Notre Dame, and William Gove, vice-president of EMC Recording Corp., St. Paul, will be the featured speakers.

Business sessions on Monday and Tuesday will deal with the topic "It Comes from Within." Monday evening the round-up banquet will be held along with entertainment and dancing.

J. R. Cooney Jr. Advanced

John R. Cooney Jr., secretary in the Pacific coast department of Loyalty group at San Francisco, has been advanced to second vice-president of all companies in the group.

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Lumbermens of Ohio Opens Midwest Office

Lumbermens Mutual of Ohio has opened a midwest department office in the Forsyth building, Clayton, Mo.

The office will handle underwriting, claims, accounting and fire prevention engineering for a 12-state area and will be under the direction of William Dow, office manager; Donald J. Ruthmeyer, underwriter, and Mark Boles, fire prevention engineer.

The company also has branch offices at Dallas, Los Angeles and San Francisco.

Adjusters Associated Is Formed in W. Va.

Adjusters Associated has been organized at Clarksburg, W. Va. The principals are Olin L. Powell and Ralph F. Doolittle Jr., who until recently were with John Roane of Baltimore in executive capacities. Mr. Powell was manager at Clarksburg and a member of the board and Mr. Doolittle was executive vice-president of the Roane organization.

Mr. Powell has had eight year's experience in multiple line adjusting and Mr. Doolittle has been in the adjusting business for 21 years.

The new organization will service central West Virginia.

Mercantile Block Filed by IMIB

Inland Marine Insurance Bureau has filed forms, rates and rules for the writing of mercantile block insurance concurrently with local fire rating organizations having jurisdiction and National Bureau in all areas in which it is licensed. Approval of the filing has been received from Arkansas, effective Jan. 24.

The local fire organizations in each state will disseminate the forms, rates and rules so the bureau will not duplicate the material for its manuals. When the filing becomes effective in other states, IMIB will notify its companies.

Reviews Court Cases at Philadelphia

Maurice Fox, claims manager of New Amsterdam Casualty, addressed Insurance Society of Philadelphia on current court decisions. He is vice-president of Philadelphia Claim Men's Council and chairman of the legal committee of Philadelphia Claim Managers' Council.

Atlanta Agency Elects

Gene Oberdorfer II has been elected vice-president of the Oberdorfer general agency at Atlanta in a general reorganization of the agency's officers and sales staff.

Mr. Oberdorfer is the third generation of his family to achieve prominence in the insurance business. His grandfather, the late Eugene Oberdorfer, formed the agency in 1894. His father, Donald Oberdorfer, is president of the agency.

The younger Mr. Oberdorfer joined the agency in 1953 and has been sales manager of group, life and A&S departments as well as sales assistant to his father.

Jaffe Forum March 1

Jaffe agency of New York City will hold its semi-annual forum March 1 there on production of commercial accounts. Successful selling and servicing methods will be explored and a panel of insurance men will conduct a question and answer period.

Vigilant of Chubb & Son has been admitted to Kansas.

Sanford Lederer Elected Head of Chicago CPCU

S. H. Lederer, assistant president of Stewart, Keator, Kessberger & Lederer, was elected president of the Chicago CPCU chapter. Others elected: Vice-president, Alice M. Chellberg, secretary, American Mutual Alliance; secretary, William R. Rich, Policyholder's Union, and treasurer, Jere David Lustig, M. M. Lustig & Son.

N. J. Agents to Hear Auto Coverage Talks

Talks on the automobile coverage will feature the annual insurance day of Hudson County (N.J.) Assn. of Insurance Agents on March 20 in Hotel Plaza, Jersey City.

Speakers will include W. H. Brewster, manager of National Bureau; Allan McCarthy, eastern manager of National Automobile Underwriters Assn.; Harold Feuerstein, counsel of New Jersey Assn. of Insurance Agents, and Earl F. Leach, assistant general manager of General Adjustment Bureau.

Balovich Heads Jr. Surety Assn. of No. Cal.

George Balovich of Associated Indemnity has been elected president of Junior Surety Assn. of Northern California.

George H. Caig of U.S.F.&G. advanced from the position of secretary-treasurer to vice-president and Alan Cavallin of Glens Falls was elected to succeed him.

Asks Ky. Receiver for Inland Empire Assets

Director Thurman of Kentucky has filed, through the attorney general, a suit to have a Kentucky receiver named for Inland Empire of Salt Lake City, which is in federal receivership. The suit asks that the Kentucky receiver be in charge of the assets of Inland Empire deposited with the state. They are estimated to have a market value of between \$80,000 and \$90,000.

Travelers 1st Quarter Dividend Is 25 Cents

Travelers has increased its dividend on the capital stock to 25 cents a share. The company paid 20 cents the last two quarters and a year end special of 10 cents.

The 25 cent dividend is payable March 9 to stockholders of record Feb. 10.

OK Block Cover in Ky.

LOUISVILLE—The Kentucky department has approved, effective Feb. 15, the filing of a mercantile block coverage through Kentucky Inspection Bureau.

Two Stock Dividends

Northern of New York has declared a 10% stock dividend, payable March 12 to holders of Feb. 24. Republic of Texas has declared a 50% stock dividend.

Erickson Named Deputy in Minn.

ST. PAUL, MINN.—Commissioner Sheehan of Minnesota has appointed I. J. Erickson of Duluth deputy commissioner in charge of fire investigation. Mr. Erickson has been an employee of the fire marshal's division for 25 years and for many years has been in charge of the office at Duluth.

Hawkeye-Security Pays Dividend

Hawkeye-Security has paid a quarterly dividend of 37½ cents a share on common stock of record Jan. 20. The company also paid a quarterly dividend on the 5% preferred stock.



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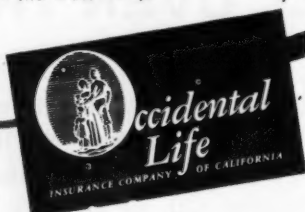
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Wash. Court Orders Multiple Accident BI Case Reargued

Washington supreme court has ordered reargument in a case which involves the issue of whether there were three accidents or one when a car collided with three motorcycles, ridden by five persons, within two seconds.

Assn. of Casualty & Surety Companies and American Mutual Alliance appeared as *amici curiae* in the case, Truck Insurance Exchange vs Rohde.

The case will be reargued before the entire nine judge tribunal of Washington supreme court. It previously was argued before a five judge panel of the court.

The case concerns an insured automobile operator who crossed to the wrong side of the highway and collided with three motorcycles traveling in echelon formation about 75 feet apart. Both the automobile and the motorcycles were traveling at speeds exceeding 50 miles an hour.

Mr. Rohde was insured by a liability policy issued by Truck Exchange, with applicable limits of \$20,000 for each person and \$50,000 for each accident or occurrence. The insurer brought an action for declaratory judgment against Mr. Rohde and the third party claimants, asking that its total bodily injury liability under the policy be limited to \$50,000. In February, 1955, the Yakima county superior court judge held, in substance, that there were three separate accidents within the meaning of the policy and the insurer's applicable limit of liability was \$20,000 as to each person killed or injured at the time, for a total of \$60,000.

Truck Exchange appealed to the state supreme court. At the same time Assn. of Casualty & Surety Companies and American Mutual Alliance were granted permission to enter the case. Charles L. Powell of Moulton, Powell & Loney of Kennewick, Wash., is representing Truck Exchange. Paul R. Roesch of Walla Walla has represented Rohde, and J. P. Tonkoff of Tonkoff, Holst & Hopp of Yakima and Ralph Armstrong of Longview, Wash., have represented the injured claimants. Appearing locally for Assn. of Casualty & Surety Companies is Clarke, Clarke & Alberton of Seattle and Paul R. Stuntz of Seattle has appeared for American Mutual Alliance. Upon the oral argument in Olympia in December, 1955, James B. Donovan of Waters & Donovan of New York City argued the case for the *amici curiae*.

Casualty Companies Serving Mass. Elect

Wallace Falvery of Massachusetts Bonding was elected president of Casualty Insurance Companies Serving Massachusetts at the annual meeting at Boston. Other officers are Charles E. Hodges of American Mutual, vice-president, and A. Lawrence Pierson of Massachusetts Bonding and John O'Connor were reelected treasurer and secretary, respectively.

Inland Mutual Auto Cover Approved in Pennsylvania

The Pennsylvania department has approved the rates of Inland Mutual of Huntington, W. Va., for full coverage on substandard automobile risks. Inland is licensed in 23 states and the District of Columbia, and is writing full coverage sub-standard automobile in D. C., Iowa, Kentucky, Michigan, Missouri, Ohio, Oklahoma, Pennsylvania and West Virginia.

Cal. City Ordinance Bans Unsolicited Calls by Salesmen

In spite of a personal conference between California Insurance Commissioner McConnell and the mayor, the city of Los Altos has amended its "Green River" ordinance to make it entirely clear that insurance agents, along with other salesmen, are prohibited from making unsolicited calls on local citizens. In tightening up the ordinance the city council also amended it to bar solicitation of newspaper subscriptions. It is expected that the amended ordinance will be a major issue in the next city election, due in April.

Conn. Agents Urge Single Limit Policy

Connecticut Assn. of Insurance Agents has made a number of recommendations for changes in fire and casualty coverage including a single limit policy on auto bodily injury and property damage.

The rules, rates, forms and coverages committee of the association also urged casualty committees of National Assn. of Insurance Agents, National Bureau and National Automobile Underwriters Assn. to consider a stated amount valued policy on auto comprehensive fire and theft for an additional premium and a disappearing \$250 deductible on auto collision policies.

The committee recommended to New England Fire Insurance Rating Assn. changing the \$50 deductible on the windstorm section of extended coverage from a per item basis to an occurrence basis. Also urged was equalization of the difference in premium on combustible and non-combustible roofs on dwelling policies because there is no difference in homeowners' policies and because windstorm losses on non-combustible roofs are greater than losses on combustible roofs.

R. I. Bill Calls for Agent Examination

A bill providing for the examination and licensing of agents and sub-agents of Rhode Island insurance companies has been introduced in the state senate at the request of Commissioner Bisson.

Examination by the Commissioner would be mandatory for agents of life, fire and marine companies, but the commissioner would determine whether casualty applicants should be examined. The commissioner could revoke or suspend a license if he is convinced the interests of the insurer or the public are not being properly served. An agent without a license would be liable to fines as high as \$500.

Indianapolis Casualty Underwriters Elect

John G. Williams, Indiana Farm Bureau, is the new president of the Indianapolis Casualty Underwriters Assn. Other new officers are Robert E. Short, Aetna, vice-president; John E. Atkinson, Fidelity Mutual, secretary. Everett M. Smartz, Gulf, was reelected treasurer. New members of the board in addition to the officers are Charles Mohr, Indiana Ins. Co.; Paul Spurlin, Massachusetts Bonding; Robert W. Wilson, American States; and Roy M. While, Employers Mutual. Mr. Mohr is the retiring president.

A. W. Anderson, special agent of Royal, has joined the Riley agency at Brunswick, Me. He has been a member of the divisional and executive committees of New England Fire Insurance Rating Assn.

Surety Assn. Backs Rates Filed in Va.

Representatives of Surety Assn. of America testified in support of revised rates for fidelity and surety bonds before Virginia state corporation commission at a hearing at Richmond. The rate filing, which follows the national trend of a general reduction, previously had been approved by the commission. Statistics, exhibits and other data were submitted to support the position of the surety association that the rates are reasonable and not excessive, and that they are in conformity with statutory requirements. This is regular procedure whenever the commission wants justification or clarification of any rate changes.

David J. Mays of Tucker, Mays, Moore & Reed, Richmond attorneys, outlined the case he intended to offer on behalf of the surety association and treated some of the underlying principles of rate making.

A number of exhibits and projections compiled by the association, which analyze experience in the various fidelity and surety lines, were submitted and discussed by Warren N. Gaffney, general manager of the association.

The association, Mr. Gaffney said, does not make rates on an automatic formula basis but on an informed judgment basis, in which the statistics and all relevant data are carefully considered. He declared also that although they are subject to some qualification, in themselves, the statistics presented by the association are persuasive that current rates are not excessive.

Elmer C. Anderson discussed the functions and services of contract bonds; Philip T. Morehouse described the purpose and application of fiduciary bonds and court guarantees, and William J. Zimmermann outlined in detail fidelity bonds for financial institutions and mercantile establishments. All are assistant secretaries of the association.

Warren F. Curtis, partner in the general agency of Boswell & Curtis, Richmond, testified from a general agent's standpoint on the service factors of contract and court bonds, the degree and amount of expense and work entailed in handling both lines and other time consuming duties performed by the surety and its agents.

Dr. Jules Backman, professor of economics at New York University, one of the country's foremost economists and author of a study of the economics of the surety business, discussed in detail the lack of relationship between suretyship and insurance, the inadequacy of data for published loss ratios, the importance of using long term experience, the relative level of underwriting profits and profits in other businesses and the relative changes in surety bond prices and other prices.

Standard Service Names New Executives

Standard Service Bureau has made several personnel changes in its New England operations.

Edward H. Pickering, former manager of the Providence office, has been advanced to vice-president of sales at Hartford. Arthur R. Breor, office manager of Boston headquarters, has been named secretary of the company. William C. Ray has been appointed Portland, Me., office manager. Angelo P. Cianci, former Providence chief inspector, has been elevated to office manager there.

Reimers Joins Phoenix of London at S.F.

Fred Reimers has joined Phoenix of London as fidelity and surety superintendent in the Pacific department.

Mr. Reimers was formerly with Fidelity & Casualty in the same capacity at San Francisco. He joined F.C. in 1930 and was named fidelity and surety superintendent in 1949. He is a past-president of Surety Underwriters Assn. of Northern California. Robert Pierce continues as assistant superintendent of the department.

James Joyce of the Phoenix of London home office is in San Francisco to make arrangements for increased facilities in the bonding department.

Marine Board Reelects Zeller President

New York Board of (Marine) Underwriters has reelected Frank B. Zeller of Royal Liverpool president along with other officers. New directors named were G. S. Atkinson of Hartford Fire, J. W. Morrow of Home, J. C. Ulreich of Commercial Union and L. A. Ward of Standard Marine.

FIA Moves into New Hartford Home Office

Factory Insurance Association has moved its Hartford home office at 55 Asylum street to a new Georgian colonial building at the corner of Woodland street and Asylum avenue. The three story structure will house the home and eastern regional offices of the association.

The 50th anniversary of Bearse local agency of Chatham, Mass., as an agency of U.S.F.&G. was marked with a dinner given by the company at Orleans, Mass.

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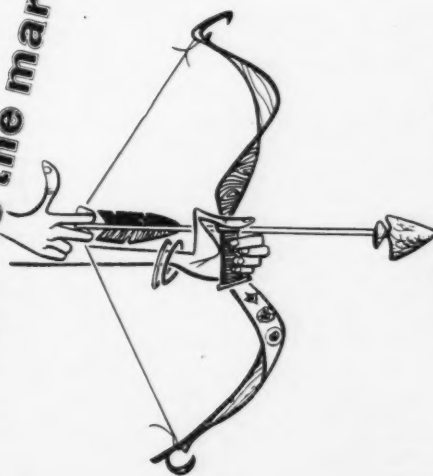
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EDITORIAL COMMENT

Automation Threatens No Layoffs

Apparently there need be no fear that the age of automation will ever advance to such a point that the insurance home office will consist of no one but the president, whose main duty will be to turn on the electronic data processing machines when he comes to work in the morning.

So much has been said about the fact that large computers will not throw people out of work, however, that some employees may begin to suspect that the machines' proponents "protest too much."

Actually, there is sound basis for optimism. Those with the problem of getting clerical help can in all honesty feel that installation of electronic equipment will not cause any personnel layoffs.

Many companies must live with the difficult situation created by a high turnover of employees, especially in the lower paying jobs. A lot of these are clerical positions which would be eliminated by electronic data processing machines but quite a few of the clerks are young women. Many of them do not stay long in their jobs anyway.

Companies with new electronic systems will be able to avoid firing anyone simply by slowing down the rate of hiring replacements for lower-echelon jobs. Some may just stop hiring temporary employees for seasonal work peaks. At most, it might be necessary to call a halt in hiring from time to time. But no one need worry that installation of a "giant brain" will throw him out in the street.

On the contrary, with the high-speed machines doing the bulk of the dull routine clerical work, an upgrading of jobs for the work force should result as additional numbers of employees are freed for more diversified and interesting duties. Salaries should rise, too, as qualified employees turn to more complex and responsible tasks.

More and more employees at various levels are learning about electronic machines because increasing numbers of companies are installing the equipment. As a result, a professional class of electronics "experts" is emerging. Those in the know are dazzling friends and families with their superior knowledge of the jargon of automation.

They let drop puzzling words like "access time," "address," "bucket," "output," "storage," and "stored program." Although these mysterious

terms may confuse the uninitiated, they really are nothing but popular words in an electronic man's lexicon which can be explained very simply.

"Access time" means the time required to call a number from the storage area of the machine and make it available to the arithmetic section where it will be used; "address" is the symbol designating the storage location of a number or word; "bucket" is a slang term for the part of a storage device which stores one number or word of information; "input" is the information delivered to the machine; "instruction" is an order to the machine to perform some operation; "magnetic tape" is a flat ribbon of metal, plastic or paper coated with a material which can be magnetized and on which information is stored by combinations of magnetized spots in certain patterns; "output" is information produced by a machine; "storage" is the ability or equipment for holding information; and "stored program" is the ability of a machine to hold in-

structions inside it and refer to them in specified sequence and perform the specified operations.

Automation can cut costs. And this will be reflected in lower premiums.

But it should not be expected that electronic equipment will slash premiums to a fraction of their former size. Because of the savings aspect of life insurance, most of the money that will be paid out in the future must be paid in earlier through premiums. Automation will not create money where none existed and it will not make high interest rates on investments.

Agents should not hope that cost reductions through automation will reduce premiums to such a point that everyone will rush to buy. The reductions will not carry that much public appeal, though they may well be a factor in competition.

And in connection with competition, while a mediocre agent backed by a company with lower cost and faster service due to automation may find himself competing at slightly less of a disadvantage against the star agent whose company hasn't taken the electronic route, nothing thus far disclosed about automation indicates that by and large the well qualified agent won't continue to beat out the poorly qualified regardless of whose company has automation and whose hasn't.

elected president and chairman of Christiania General of New York in 1941, and was chairman until 1954, when he retired. He was also president of Hudson from 1919 to 1940, and U.S. manager of Skandia from 1930 to 1933.

CHARLES PETRIE, 55, life editor of *Weekly Underwriter*, New York, died there. A former newspaper man, at one time he was with *Spectator* and once served as assistant to the vice-president in charge of advertising and sales of American Surety.

MORRIS WEINSHENKER, 50, Chicago broker for more than 20 years, died. He handled coverage on conventions and sporting events at the Coliseum for many years.

PAUL S. RICKERT, 60, engineer for Wisconsin Fire Rating Bureau for 35 years, died at a Milwaukee hospital.

SAMUEL F. BUTLER SR., 67, Philadelphia insurance broker for more than 25 years, died there. His home was in Swarthmore, Pa.

DONALD B. SIGERFOOS, 50, local agent at Elkhart, Ind., died at General hospital there. He had been a semi-invalid since 1941, when he was stricken with polio.

HAROLD E. BREWSTER, 61, died of a heart attack in his office at Alexander & Alexander, New York City insurance brokers. Mr. Brewster had been head of the railroad department since he joined the firm in 1942. Before that he was in the coal and oil businesses and had been with W. R. Grace & Co. handling insurance matters.

GORDON E. SMITH, 51, local agent at Davison, Mich., died at St. Joseph hospital in Flint.

I. A. STORY, 79, a retired local agent at Glasgow, Ky., died at Clinic hospital there after a two-month illness.

JAMES F. INGLIS, 59, president of the brokerage firm bearing his name at 111 John street, New York City, died in Miami Beach where he was convalescing from a recent illness. He had been in insurance 40 years.

CHENOWITH POYNTZ, special agent of Progressive of Atlanta, died in an automobile accident in Sylacuaga, Ala. He was former manager of Pioneer agency at Gadsden, Ala. He was a past president of Alabama Fire Underwriters Assn. and PMLG of Alabama pond of Blue Goose.

MRS. SADIE R. LOEWITH, 65, president of S. Loewith & Co., Bridgeport, Conn., agency, died there. She had headed the agency since the death of her husband, Walter, in 1952.

EDWARD E. CONROY, 60, who helped revive Security Bureau, an organization of maritime companies,

PERSONALS

Business associates feted **Scott Winans**, Long Island staff adjuster of America Fore, on his 50th anniversary with the company at a testimonial dinner in Jamaica, N.Y. He received the congratulations of Frank A. Christensen, president, and J. Victor Herd, executive vice-president, at a luncheon in New York City.

J. T. Blalock, vice-president of Pacific Indemnity, has been reelected president of Greater Los Angeles Safety Council.

Victor O. Schinnerer, Washington, D. C., local agent, has been named 1956 Easter Seal campaign chairman by D.C. Society of Crippled Children.

L. E. Grigsby, assistant western manager of Hartford Fire, has become a grandfather for the first time with the birth of William Stewart Jones. The father is J. William Jones, a senior at the University of Texas medical school, and the mother is Nancy Grigsby Jones.

John A. Lloyd, who some years ago was insurance superintendent in Ohio and also for five years was executive secretary of Ohio Assn. of Insurance Agents, has been elected president of Union Central Life of Cincinnati. Mr.

Lloyd, who joined the company in 1943, was advanced from executive vice-president.

John Carton, president of Wolverine, was honored at a dinner celebrating his 10th anniversary as president. He was presented with an engraved watch by Howard Stoddard, director and president of Michigan National Bank. Other tributes were paid by vice-presidents Robert Denton and Harold Moore.

Gratton H. Downey, vice-president and manager of the Fieber & Reilly agency at Indianapolis since 1943 and a member of the Indiana legislature, has been elected secretary-treasurer of Sifton Septic Tank Corp. and Unit Step Inc., an affiliate.

DEATHS

JOHN M. WENNSTROM, 75, retired chairman and former president of Christiania General, died at his home in Short Hills, N. J., after a short illness. He entered insurance in 1903 as an inspector in the home department of Svea Fire & Life in Norway, transferred to that company's foreign department in 1907 as general inspector, became U. S. manager in 1916, and was appointed U. S. manager of Christiania General of Norway in 1918. He was

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SAN FRANCISCO 4, CAL.—Flatiron Bldg., 544 Market St., Tel. Exbrook 2-3054. A. J. Wheeler, Pacific Coast Manager.



including insurers, whose purpose is to eliminate pilferage on the New York waterfront, died at his home in Forest Hills, N. Y. He directed the Security Bureau until 1950, when he resigned. He was formerly in charge of the New York office of the FBI.

ALBERT H. VETTER, 75, senior partner in the Vetter-Hennie agency of Cleveland, died at his West Palm Beach, Fla., home. He had been head of the agency for 35 years. His wife, Esther, and her son, Robert A. Hennie, were also members of the agency.

CHARLES F. PARKER, 80, who was with the Wheeler-Kelly-Hagney agency at Wichita, Kan., for more than 30 years, died at the Veterans hospital there. Prior to joining the agency, Mr. Parker had been a special agent in Kansas and Missouri for Hartford Steam Boiler.

THOMAS MACDONALD JR., loss superintendent of Scottish-Union group in Hartford, died there. He had been with the loss department for more than 25 years. He was past president of the group's employees association.

FOUNT RAY, 82, district manager of Texas Employers at El Paso until his retirement in 1940, died at the home of his daughter in Dallas after a short illness. Mr. Ray joined the company in 1921.

GEORGE E. NICHOLS, who retired as manager of Wisconsin Fire Rating Bureau three years ago, died at his Milwaukee home after a year's illness. He had been manager of Nebraska Inspection Bureau before joining the Wisconsin bureau in 1919.

EARL H. BROOKS, vice-president and director of New Amsterdam Casualty, died in New York City where he resided. He joined the company in 1914 and became manager of the New York office in 1929.

STOCKS

By H. W. Cornelius Bacon, Whipple & Co.
135 S. LaSalle St., Chicago, Feb. 7, 1956.

	Bid	Asked
Aetna Casualty	120	125
Aetna Fire	70	71½
Aetna Life	190	202
Agricultural	35¼	36¼
American Equitable	37	39
American Auto	25½	26½
American, (N.J.)	31¼	32¼
American Motorists	14¼	15¼
American Surety	96	99
Boston	39	40½
Camden Fire	26½	27½
Continental Casualty	124	127
Crum & Forster com.	62¼	64
Federal	37	38
Fire Association	56¼	57½
Fireman's Fund	64	65½
Firemen's, (N.J.)	41	42
General Reinsurance	47	48½
Glens Falls	69½	71½
Globe & Republic	22¼	23¼
Great American Fire	37½	38½
Hartford Fire	155	158
Hanover Fire	46½	47½
Home (N.Y.)	47	48
Ins. Co. of No. America	108	109½
Maryland Casualty	36¾	37½
Mass. Bonding	43¼	44½
National Casualty	56	Bid
National Fire	97	99
National Union	43¼	44¼
New Amsterdam Cas.	48	50
New Hampshire	44	46
North River	41¼	42½
Ohio Casualty	96	Bid
Phoenix Conn.	86	88
Prov. Wash.	26	27
St. Paul F.&M.	54	56
Security, Conn.	51¼	54¼
Springfield F.&M.	65	66½
Standard Accident	57	58½
Travelers	79¼	80¼
U.S.F.&G.	64	66
U.S. Fire	28	29

Chubb & Son Sets Up Department for Personal Lines

Chubb & Son has formed a new personal lines department under the guidance of J. M. Kelly Jr. to handle all personal coverages except automobile, yacht and aviation risks. It will be centrally located in one unit and will provide greater efficiency and convenience for those placing this type of business. With more package policies and increased overlapping between the traditional departments under multiple line underwriting, the group concluded that the personal lines division will provide the answer.

Mr. Kelly is vice-president of Federal and has been with Chubb & Son more than 25 years, most recently in charge of the eastern agency office.

Duncan J. McGill will replace Mr. Kelly in supervising the eastern agency operation. Mr. McGill has been with Chubb & Son more than 25 years, recently as assistant to Mr. Kelly. He has served at Atlanta and Chicago.

States Approve IMIB Time Pay, PPF Rules

The new filing of Inland Marine Insurance Bureau which allows personal property to be insured in conjunction with the comprehensive dwelling policy or homeowners policies if rules of personal articles floaters are applicable has been approved in all jurisdictions in which the bureau is licensed except Arkansas, Hawaii, Kansas, Louisiana, New Hampshire, New Jersey, North Carolina, Texas and Virginia. Missouri has disapproved the filing.

The bureau filing which allows installment payment of premiums on CDP or homeowners on the basis of a third each year plus the payment of 10% of the three year premium at the inception of the policy has also been accepted in all jurisdictions in which the bureau is licensed except Hawaii, Kansas, Louisiana, Michigan, New Hampshire, New Jersey, New Mexico, North Carolina, Oklahoma and Virginia.

N. Y. Bills Would Thwart Coercion

Two bills designed to thwart coercion in tie-in sales of insurance with mortgages and auto financing have been introduced in New York state legislature.

The first provides that a copy of penal provisions prohibiting designation of any particular insurance agent or broker by mortgagee or lender shall be printed on the contract, bill of sale or memorandum signed at closing.

The second would restrict sales of insurance on motor vehicles and negotiations for the sale thereof to licensed insurance agents authorized to do business in the state.

Local Cal. Boards Elect

Seven California local boards have elected officers recently. They are:

Butt county—Jack Kitrick, president; Norman Biggs, vice-president, and Clarence L. Price, secretary.

Chico—H. Dean Hintz, president; Richard E. Glenn, vice-president, and Clarence L. Price, secretary.

Imperial Valley—Miss Elizabeth Harris, president; Clair W. Mitchell, vice-president, and Charles H. Knights, secretary.

Menlo Park—Jay M. Finley, president; Victor Greisser, vice-president, and Rufus S. Tufts, treasurer.

Modesto—Earl Damin, president; John D. Hynes, vice-president, and Leroy Perkins, secretary.

Redwood City—Joseph A. DeGeller, president; E. W. Beesley, vice-presi-

dent, and C. H. Reifenrath, secretary. San Mateo—Peter J. Markovich, president and Melford D. Batty, vice-president.

Farmers Exchange Offers Credit Life Endorsement

Farmers Exchange group of Los Angeles is widely advertising a new endorsement to its policies which will pay the unpaid balance of an installment sales contract in the event of death of the insured. The charge for this "debt-payment" endorsement is \$4 per thousand of "life" insurance. The group is carrying on an extensive radio campaign in California promoting this coverage as a feature available to their insurance on automobiles or other facilities on the monthly payment plan.

\$11,500,000 Casualty Fire Stocks in Fund

More than \$11.5 million in fire and casualty company stocks are included in the diversified portfolio of the Wellington fund. The mutual fund totaled \$490 million in investments at the close of 1955.

Thirteen casualty and fire companies were represented in the fund. These holdings consisted of 1,526 shares of Continental Assurance, 25,000 Continental Casualty, 8,000 Continental, 21,000 Federal, 5,000 Fidelity-Phenix, 14,000 Fireman's Fund, 1,500 General American, 10,800 Government Employees, 8,000 Hartford Fire, 10,000 North America, 25,000 Maryland Casualty, 3,475 Ohio Casualty, and 12,000 U.S.F.&G.

Standard Accident Goes Fully Multiple Line

Standard Accident is embarking on a full multiple line program under which fire, allied lines and marine will be written in addition to casualty and bonding. Standard agents have been putting their fire business in Planet. The charter of Standard was amended several years ago to provide for multiple line underwriting.

The company has been specializing only in casualty coverages.

Harry Lown of Frank A. Lown Co., Batavia, N. Y., general agency, favored the present uninsured motorist endorsement and Superintendent Holz's compulsory indemnification plan over compulsory auto insurance in New York state in an address before Akron, N. Y., Kiwanis Club.

Good Attendance Expected for Michigan Midyear

LANSING—An excellent attendance is predicted for the mid-year business meeting Feb. 22-24 of Michigan Assn. of Insurance Agents. The sessions are to be held at the Hotel Sheraton-Cadillac, Detroit, with various aspects of the sales problem to be discussed under the general theme "The Vital Link."

Joseph W. Thompson of Michigan State university will set the keynote the morning of Feb. 23 at the first general session, talking on "Creative Selling." The previous day will be given over to registrations and meetings of the officers, headed by Gerry Fauth, Port Huron, and the executive committee.

Other topics and speakers for the Thursday sessions include: "The Proof of Loss—I Can't Believe It" by officers of the Fidelity Appraisal Co.; "The Safe-Teen Story" by Stuart Doty, Grand Lodge; "You, the Farmer and a Dozen Eggs" by Robert Meade of Home's farm department, supplemented by the movie short "Greener Pastures." Arthur O'Connell, Cincinnati, an executive committee member of NAIA; and Eugene Flack of Sunshine Biscuits are the banquet speakers.

Jack Butterick, assistant secretary of the Michigan association and a former department deputy commissioner, will direct the discussion of "Commercial Block Policies" the following day and Darryl Watters, director of the department licensing division, will discuss "Errors and Omissions of Agents." These two program features will be followed by general floor discussion of any topics advanced. Commissioner Joseph A. Navarre of the Michigan department, speaking on "The Strength of the Link," will conclude the session following the Friday luncheon.

Opens Two Claim Offices

Northwestern Mutual Fire has opened new claim offices at Long Beach and San Jose.

John A. Mahoney has been transferred from the Los Angeles office to supervise the Long Beach office and Lawrence Gray has been transferred from San Francisco to head the San Jose office.

LET'S LOOK AT THE RECORD...

Our "Annual Review of Life, Fire and Casualty Insurance Stocks 1955" shows the individual market performance of 95 issues, for 1955 vs. 1954.

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Buckeye Union Raises Yorke and Hammel

Bruce C. Yorke and Charles L. Hammel have been promoted to claims manager and assistant claims manager of Buckeye Union Casualty.

Mr. Yorke, who succeeds the late Fred C. Saas, joined Buckeye in 1938 as an investigator and adjuster for the legal department and was named assistant claims manager in 1947.

Mr. Hammel joined the company in 1947 and has been claims manager at Grand Rapids since 1950.

Agent Fined in N. C. for Ft. Bragg Sales

An insurance agent has been fined \$500 for selling automobile liability cover to Fort Bragg, N. C., servicemen written in two companies not licensed in North Carolina.

Cumberland county recorder's court has ordered B. E. Woodard to pay the fine or serve a six-month jail sentence. He was one of several agents involved in the recent army-state controversy over on-post insurance solicitations.

The conviction came on evidence by W. G. O'Neal, investigator of the state insurance department. He testified that

Woodard had originally been selling insurance for Illinois Automobile Ins. Co. and National Automobile Association in office space provided by the army on the base. However, he said, when the army took over the office space and forced the agents out, Woodard continued to sell insurance from a trailer parked just outside the post. He said Woodard made the contacts and filled out applications and receipts at the trailer and then collected premiums on the post.

N. Y. Revokes 107,292 Auto Licenses for FR

New York bureau of motor vehicles revoked or suspended more driver licenses and registrations last year than ever before, with safety-responsibility suspensions totaling 107,292. This figure exceeded the 1954 figure of 105,610 but still remained below the record 110,672 in 1952. Total revocations or suspensions for all causes reached 168,275 as against the previous high mark of 163,123 in 1954.

Jack Irish, former Illinois field supervisor for Excelsior, has joined Nicholson-Clark agency in Decatur, Ill., as a solicitor. A heart attack last fall forced him to give up traveling.

Prominent Figures at Chicago Buckeye Meeting



Prominent members and guests of Chicago Buckeye Club at the annual meeting last week: From the left, J. H. Burlingame Jr., assistant general manager of Western Adjustment, a past president; E. S. Purcell, manager and general adjuster of Hartford Fire, the outgoing president; J. F. Scherer, secretary of Cincinnati Underwriters Assn.; superintendent August Pryatel of Ohio, and Fred I. Sipp, special agent of Hartford Fire in Ohio and president of Ohio Fire Underwriters Assn.

3 Ways to Hold a Customer

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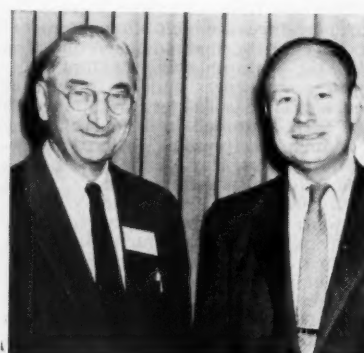
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E. S. Purcell, Hartford Fire, the outgoing president of the Buckeye Club of Chicago at the annual meeting last week was with the secretary, Dale G. Stentz of Western Adjustment.

Seitz Retires, Fish New President of Freeport

Paul F. Seitz, who has been president of Freeport Ins. Co. since 1935, has retired from active duty and Charles M. Fish has been named to succeed him. Mr. Seitz becomes chairman.

Mr. Fish has been executive vice-president and treasurer. All other officers were reelected.

Mr. Seitz was with the Old German at Freeport until 1907. Later he was in the painting and decorating business, and then joined L. C. Younglove, who organized Freeport Motor Casualty as a reciprocal company, changing it to a stock company in 1928. He was in charge of claims, in 1932 becoming vice-president, and in 1935 president.

GAB Makes Changes at Muskogee

L. M. Hallock, branch manager for General Adjustment Bureau at Muskogee, Okla., has been relieved of managerial duties at his own request because of his age and ill health, and will continue as senior adjuster there.

R. V. McSpadden, formerly a local agent and with GAB at Muskogee since 1951, has been promoted to branch manager.

Mr. Hallock has been with GAB for 35 years and since 1937 was branch manager at Muskogee.

Minnehoma of Tulsa, operated by Spartan Aircraft Co., has announced plans to construct a \$300,000 home office building.



Among those on hand last week for the annual meeting of Chicago Buckeye Club:

Top—T. J. Ocasek, Rollins Burdick Hunter Co., a former president, with Eugene V. Gallagher, manager of Planet, the new president, and V. L. Montgomery, manager of North America and third president of the Buckeye organization.

Center—Walter L. Sundstrom, western manager of Factory Insurance Assn., a guest at the meeting; John L. Magenheimer, assistant U.S. manager of North British, another guest, and P. M. Beebe, western manager of Hartford Fire, a past president of the Buckeyes.

Bottom—G. H. Garner of Manufacturers Casualty, John S. Warren, manager of General Accident, and L. A. Kenney, vice-president of Glens Falls.

963 Attend Wisconsin Regionals

MADISON—A total of 963 Wisconsin agents, company men and public officials attended the series of nine clinics sponsored by Wisconsin Assn. of Insurance Agents and Wisconsin Fire Underwriters Assn. which were concluded last week at Antigo. The initial meeting at Milwaukee had a registra-



President John J. Batenburg of Wisconsin Assn. of Insurance Agents and Commissioner Paul Rogan of Wisconsin, at one of the Wisconsin agents' clinics.

tion of 256, and on successive days the caravan, specializing in package dwelling policies, traveled 1,700 miles to meetings at Madison, Wisconsin Rapids, Fond du Lac, Green Bay, La Crosse, Eau Claire, Hayward, and Antigo.

Speaker at each of the luncheon sessions was Commissioner Paul Rogan, who outlined the program of the department. Other speakers included R. C. Salisbury, safety director of Wisconsin motor vehicle department; Thomas J. McKernan, educational director of the national association, and a group of field men who conducted panels on the package policies.

Gets State Farm Ad Post

Ralph R. Decker, Jr., formerly in charge of advertising for New York Life, has been named account executive for the Biddle Co., Bloomington, Ill., Chicago and Kansas City advertising agency.

Mr. Decker will work on the State Farm companies account in Bloomington. Mr. Biddle will handle all agent and local advertising and promotion for State Farm.

Before joining New York Life, Mr. Decker was director of sales promotion for Federal Advertising Agency, New York; merchandising director of Cecil & Presbrey, New York; and a divisional advertising and promotion manager for General Electric.

Discusses U. S. Model WC Bill

The U. S. model workmen's compensation bill was discussed by S. E. Brown, insurance manager of Associated Industries of Missouri, at a meeting of the St. Louis conference.

File for Reelection in Ohio

Thomas V. Moorehead, Zanesville, O., and T. M. Gray Jr., Piqua, both insurance writers, have filed for reelection to the Ohio senate.

Rep. J. F. McClure of Loudonville, former insurance committee chairman, and Harold Short, Piqua, present chairman of the house insurance committee, are also candidates for reelection.

Mr. Gray's father is secretary of Ohio Assn. of Insurance Agents.

Modifies Resumption Clause in a U&O Form

The governing committee of National Assn. of Insurance Brokers at a meeting in New York City discussed a Factory Insurance Association alteration in the resumption of operations clause of form 917-A business interruptions insurance, percent coinsurance form for manufacturing risks and business interruptions. The new clause reads substantially as follows.

If insured, by redemption of complete or partial operation of the property herein described, whether damaged or not, or by making use of stock or other property at the location described herein or elsewhere, could reduce the loss resulting from the interruption of business, such reduction shall be taken into account in arriving at the amount of loss hereunder.

This new clause at the present time has been filed by the stock fire insurers only in Louisiana and Texas, according to the brokers.

Strict FR in S. C. Bill and in Ga. Study

A bill which would require the posting of security in the form of a \$10,000 automobile liability insurance policy, real estate valued at \$10,000 or more, or a corporate bond of \$10,000 or more before an applicant could obtain a driver's license has been introduced in the South Carolina legislature.

In Georgia a senate subcommittee rejected a proposed compulsory motor vehicle liability insurance proposal and recommended a study of ways to strengthen the state's present financial responsibility law.

The South Carolina bill would require that if the security were a liability policy it would have to be paid up for at least a year in advance. Many persons in the state now make their automobile insurance payments on a six months or quarterly basis.

Pa. CPCU Group Elects

New officers of Northeast Pennsylvania CPCU chapter are Richard Saul of Wilson H. Flock Inc., Kingston, president; Simon Huber of Scranton, vice-president; Norman Hoffman of Man & Levy, Scranton, secretary; and Robert Rineheimer of Wilkes-Barre, Joseph Lundy of Hazleton, Bird Summer of Athens, and Albert Margolies, E. Lester Man and Seymour Nogi of Scranton, directors.

Revise Seven WC Pamphlets

Assn. of Casualty & Surety Companies has published revised editions of workmen's compensation law pamphlets for Alabama, Idaho, Kentucky, Michigan, Nevada, North Dakota and West Virginia.

Each of the pamphlets contains complete texts of state WC laws, a digest of the law and pertinent supplementary laws, including all amendments enacted in the last legislative session. They may be secured through the law publications division of the association, 60 John street, New York.

Agent's N. Y. License Revoked

Superintendent Holz of New York has revoked all New York licenses issued to Ralph M. Griswold, local agent of Greenwich, Conn., on grounds of misappropriating premiums collected on behalf of various insurance companies.

Robert Connors has joined the Seattle office of United Pacific as a casualty underwriter. He was formerly an underwriter for General of Seattle.

Program Announced for Mutual Company Auto, Casualty Meet

The program for the underwriting conference on automobile and general casualty, sponsored by Conference of Mutual Casualty Companies, to be held at Chicago March 1-2, has been announced.

James C. O'Connor, editor of *Fire, Casualty & Surety Bulletins*, will speak on "Casualty Insurance Looks at the Future," following the registration and a joint session Thursday morning. L. E. Benson, Mutual Service Casualty, and Harold A. Langstaff, Nationwide Mutual, will address the automobile session on "Recruiting and Training Underwriters" and "Maintaining Company Underwriting Policy Between Divisions or Branches."

Thursday afternoon James Norris, Farmers Mutual Hail, Paul F. Gallmeier, Meridian Mutual, and Carl A. Marquardt, State Farm, will speak on "Use of Other Automobiles-Broad Form," "Agency Visitation by Underwriters," and "Use of Electronics as an Aid to Underwriting."

At the general casualty morning session John Dinsmore, Federated Mutual Implement & Hardware, and Donald D. Kiefer, Market Men's Mutual, will talk on "Underwriting Special Reports for General Liability" and "Underwriters as Salesmen." R. E. Ward, Nationwide Mutual, and Harold E. Arvin, Citizens Mutual, will address the afternoon session on "Occurrence vs Accident" and "The New M&C Policy." These talks will be followed by a panel discussion on general liability problems under the chairmanship of Leonard Milstead, Equity Mutual. The panel will consist of D. L. Wentz, Shel-

by Mutual, R. J. Lemley, Employers Mutual, P. G. Barrett, Motorists Mutual, and O. K. Kling, Allied Mutual of Des Moines.

The Friday morning automobile session will feature talks by Howard F. Lewis, Iowa Home Mutual, on rating factors; Henry Kujawa, American Farmers Mutual, on inspection programs; Kenneth E. Edmiston, Motorists Mutual, on selecting the youthful risk; Berthold Woodhams, Citizens Mutual, on public relations.

C. L. Nunneker, Shelby Mutual, and J. S. Roehr, Employers Mutual, will discuss the pros and cons of "Workmen's Compensation Small Risk Plan. Three Year Policies," at the Friday morning casualty session. Otto Danby, Auto-Owners, and W. H. Rodda, Transportation Insurance Rating Bureau, will speak on "Can You Place A Value on Your Auditor?" and "Homeowners Multiple Line Policies."

The conference will close Friday afternoon with a joint session being addressed by W. T. Beadles, American Assn. of University Teachers of Insurance, on "Industry Education, the Route to Better Public Service."

38 Graduate from N. Y. Department's Program

Superintendent Holz presented certificates of merit to 38 examiners graduating from the first class of the inservice training program of New York insurance department at a dinner and commencement exercise in New York City.

The program, under the direction of Thomas J. Calogero, consists of three one-year semesters designed to acquaint the new examiners with the insurance business, examination procedure, and functions of the various sections of the insurance department.

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FIELD

London Group Opens Indianapolis Office

London group has opened a new Indiana headquarters in the Indiana building, 120 East Market street, Indianapolis. W. E. Walton is resident manager and George F. Whittier is state agent.

Previously London Assurance and Manhattan Fire & Marine maintained one local office and Guarantee another. Merger of the headquarters is a result of the acquisition of Guarantee by London Assurance last year.

The Indianapolis office is the second new state headquarters to be opened by the group this year. Jan. 1 a field office was established at Portland, Me., with Richard R. Scanlan as state agent.

National Fire Appoints Schwenk in Illinois Field

National of Hartford group has appointed William G. Schwenk special agent for northern and north central Illinois to succeed E. R. Needles, who has joined the foreign agricultural service of the Department of Agriculture.

Mr. Schwenk joined National Fire in 1949 as an underwriter in the farm department. From 1951 to 1953 he served with the armed forces and upon returning to the National was examiner and underwriter in the farm department and the service office at Des Moines. His headquarters will be in the western department office at Chicago.

Great American Names Three on Pacific Coast

In a rearrangement of field supervision in the Pacific department of Great American, Richard J. Sears, special agent, has been transferred to Fresno, Cal., to assist William K. Kolstad, special agent, in the San Joaquin valley territory; Owen W. Parker, manager of the Oakland office, now also assumes supervision of Contra Costa county and Jack R. Samuel, special agent, has been assigned to direction of business in the suburban Oakland territory.

Fireman's Fund Transfers Russell, Dovey in Kan.

George T. Russell, Kansas state agent of Fireman's Fund, has been transferred from Topeka to Wichita with offices in the Beacon building. William Dovey, who has been with Fireman's Fund in Nebraska, has been transferred to the western Kansas field and will have headquarters with Mr. Russell.

Smith Joins Boston in Ky.

Byron Smith has joined Boston as state agent in Kentucky. He had been with Louisville F.&M.

Name Two Specials in N. Y.

American Home Assurance and Ins. Co. of the State of Pennsylvania have named Thomas P. O'Connor special agent in western New York with headquarters at Syracuse and L. Arthur Sobel special agent in suburban New York.

Phoenix-Conn. Changes Ohio Office

Phoenix of Hartford has moved its Columbus field office to larger quarters in IBM building, 447 East Broad street. Thomas O. Dye continues as manager.

North British Field Men Meet in K.C., Ga.

Western department field men of North British group held a field conference at Kansas City under the direction of Secretary H. V. Tisdale.

Feb. 13-15, a similar field conference will be held for southern department field men at Atlanta, under the jurisdiction of Charles J. Williams, secretary and manager.

Present from the New York office were W. L. Nolen, U.S. manager; H. P. Linn, assistant U.S. manager; H. W. Casler, deputy assistant U.S. manager; A. E. Lehman, automobile secretary, and G. C. Daubert, inland marine secretary. George W. Dyer and R. A. Hubbard, secretaries of casualty and bonding, respectively, attended from Kansas City.

Ohio Farmers Promotes Four to State Agents

Ohio Farmers has promoted four special agents to state agents in Pennsylvania, New Jersey and Virginia.

Andrew L. Hanigan is in charge of Philadelphia and Washington, D.C., with headquarters at Philadelphia. Robert D. Bange covers western Maryland and western Pennsylvania from Pittsburgh. Charles A. Bergstrom is in charge of New Jersey at Plainfield. James R. Lewis covers Virginia and North Carolina from Petersburg, Va.

Stephens Up for Blue Goose Post

William G. Stephens of Stephens agency of Atlanta has been named Georgia pond candidate for the nomination of grand keeper of the golden goose egg of Blue Goose international. The nominations will be held at the grand nest meeting in New Orleans next year.

Beyersdorf Heads Inland Empire Fire Underwriters

Curtis A. Beyersdorf, Aetna Fire, was elected president of Inland Empire Fire Underwriters.

Also elected were: F. J. O'Connor, America Fore group, vice-president; Robert L. Smith, Scottish Union, secretary; William Norby, American of Newark, treasurer.

Ore. Field Men Elect

David R. Goodell of Aetna Fire has been elected president of Oregon Fire Underwriters Assn.

Other officers are Richard Tucker of Crum & Forster, vice-president; Warren Johnson of Home, secretary, and George Gillette of Bates, Livesly & Pearson, treasurer.

Joins Royal-Liverpool in O.

Edward M. Fitzgerald has joined Royal-Liverpool group as a fire protection representative at Cincinnati. He was formerly with Kansas Rating Bureau.

Mr. Fitzgerald's headquarters will be in the Schmidt building with Manager R. E. Sewell.

Krill Moves to Cal. Field

Wallace Krill, who has been superintendent of agents for the Aetna Fire in Montana, has been transferred to Sacramento, Cal. He has been succeeded in Montana by Charles E. Hubbard.

Wives of N.D. Field Men Elect

Wives of North Dakota field men have reorganized the Peace Garden pond of North Dakota, a Blue Goose auxiliary, and have elected the following officers: Mrs. B. J. Farrell, president; Mrs. W. L. Spotts, vice-president; Mrs. Rolf Rosenlund, secretary, and Mrs. R. P. Anderson, treasurer.

Coirin Joins Peerless in New York Field

Rene Coirin Jr. has joined Peerless as fire special agent with headquarters at Albany, N.Y. Mr. Coirin has been in the business since 1934 as special agent and fire underwriter, most recently with Pearl.

William W. Gifford, state agent in Kansas of the farm department of Home, is moving his headquarters from Topeka to Colby.

A & S

Hartford Accident Goes into Major Medical

Hartford Accident has entered the major medical field with a new individual and family policy. It covers world-wide, does not require hospital confinement and is available to adults under 66, and children between 14 days and 18 years, in the family plan. Subject to company acceptance, it may be renewed until age 70.

Rates are based on the age of persons to be insured and to assist agents in determining rates the company has developed a pocket-size slide calculator to give the correct rate for any combination of coverage.

Available with optional maximum benefits of \$5,000, \$7,500 or \$10,000, the policy offers a choice of deductible amounts of \$300, \$500 or \$750 and includes a 75% coinsurance clause. The maximum benefit is payable for covered medical expenses incurred on each accidental injury, and each unrelated illness, complications and recurrences. There are no daily limits, subject to maximum benefits, on such items as charges for hospital room and board, miscellaneous hospital services, nursing costs and surgical fees. The common accident provision applies.

The policy has a 12 month benefit period, and in cases in which hospital confinement continues after the year, benefits, subject to the policy limit, continue until insured is discharged. Where there is no hospital confinement, but medical expenses continue past the 12 month period, benefits can be reestablished when the continuing expense again equals the deductible amount. A similar rule applies to complications or recurrences of an illness or injury.

Other insurance, except workmen's compensation, does not disqualify or reduce the eligibility of a policyholder.

The company is starting a new promotion and advertising campaign on the policy. It will include full pages in 10 leading consumer and business publications and newspapers, radio commercials and other sales aids.

Mich. Bill Would Put Coinsurance in Blue Cross

LANSING—A bill has been introduced in the Michigan house to require so-called non-profit hospitalization plans to utilize a contract requiring coinsurance.

The measure is evidently the result of the increase in Michigan Blue Cross rates. The sponsor, Rep. Allison Green of Kingston, would require that the subscriber pay the first day's hospital cost and 15% of the cost after the first seven days. He says this would result in a 30% reduction in Blue Cross rates, adding that unless some such measure as this were adopted the Blue Cross

program might price itself out of the range of many families.

The possibility of increased hospital costs through the imposition of a sales tax is being fought by Michigan Hospital Assn. The state is threatened with a suit to restrain it from levying the 3% retail tax on drugs and food supplied patients. The hospital says these items are a part of their service, but the revenue department has given an ultimatum to the hospitals to obtain licenses by March 1 and make tax returns thereafter.

N. Y. Adopts NAIC A&S Ad Rules

The New York department has adopted the A&S advertising code as promulgated by National Assn. of Insurance Commissioners with only one minor change. It also has adopted a preamble of the rules which is a statement of policy as to the application of the NAIC rules.

The only change in the code is in the section on definitions and consists of separating "agents and brokers" from the definition of "insurers." The added section reads "These rules shall also apply to agents and brokers to the extent that they are responsible for the advertisement of any policy." This change was specifically requested at a recent hearing held by the department to hear objections from A&S insurers and other interested persons.

The department is planning to supplement the rules with an interpretive guide which is now being prepared.

Pru Writes \$1 Million Group DBL Policy

Prudential has written a group policy to provide A&S benefits, required by the New York state disability benefits law, for more than 900 dress manufacturers of the United Better Dress Manufacturers Assn. and United Popular Dress Manufacturers Assn. The policy will develop more than \$1 million annually in premiums while covering more than 42,000 employees. J. S. Frelinghuysen Corp. of New York placed the cover.

Milwaukee A&H Agents Hear Wright

Gibson Wright of Continental Casualty, Eau Claire, credited cold canvassing, visual selling and package selling as methods which have made him a top salesman for his company in Wisconsin. He spoke at the February meeting of Milwaukee A&H Underwriters.

Mr. Wright, who is also Wisconsin director of International Assn., discussed the new "Choose the Plan" program, which is a countrywide movement to promote voluntary A&S coverage.

Changes in DITC Program Asked at Chicago Meeting

Recommendations for changes and additions to its text, election of a new trustee, and a financial report showing operations in the black were the highlights of a meeting of the Disability Insurance Training Council in Chicago.

The meeting was attended by DITC trustees, International Assn. of A&H Underwriters board members, and members of an instructors' committee to advise and recommend changes in text and procedure.

Main changes in the text recommended were more on hospitalization and inclusion of the new National Assn. of Insurance Commissioners "advertising code" for A&S. The advisability of including more material of group A&S was discussed, but no recommendation

was made for such a change at this time.

Elected to the board was Stuart Ferris of LIAMA. Mr. Ferris was elected as an individual rather than as a representative of LIAMA.

Reporting on the financial operations of DITC, John Galloway, Provident L.A., Birmingham, interim director of the organization, told trustees and others present that it is now operating "in the black."

The report on schools from the instructors present was given by Leslie King, Hoosier Casualty, Indianapolis; Dale Potts, executive vice-president of Wisconsin Casualty, Milwaukee; Arnie Bruheim, North American L.C., Minneapolis and William Highfield, Insurance R&R, Indianapolis.

Pa. Bill Would Set Up Public Hospital Cover

A bill has been introduced in Pennsylvania legislature that would set up a state operated public hospitalization insurance program.

Under the proposed system, the department of revenue would be the administrators. Administrative expenses would be paid by the state. Rates would be established on a claim experience basis only. All residents would be eligible to purchase the cover. Rep. Bonner, sponsor of the bill, said the system would be comparable to the optional state workmen's compensation fund under which employers may elect to insure with private companies or with the state.

To Hold A&H Sales Congress at Eau Claire

Northwestern Wisconsin A&H Underwriters will sponsor a sales congress at Eau Claire, Feb. 20.

Speakers include S. L. Horman, vice-president of Time of Milwaukee; Carl Ernst of North American L.C.; Charles Stumpf of Illinois Mutual Casualty, and John Buckley of Minnesota Mutual.

Dale B. Potts, president of Casualty Assn. of Wisconsin, will meet with other state officers during the day to discuss plans for the state sales congress.

Minn. A&S Ad Code Hearing

Commissioner Sheehan of Minnesota has called a hearing for March 6 at St. Paul to consider adoption of NAIC approved rules for A&S advertising.

McDonald at Cincinnati

Clifford E. McDonald of International Fidelity, Dallas, president of the International Assn. of A&H Underwriters, told the February meeting of Cincinnati Assn. of A&H Underwriters "Why I Sell Multiple Line Insurance." He enumerated financial and other advantages the insurance salesman has over people in some of the profes-

sions and in other lines of business. He was introduced by Robert G. Myers, Cincinnati general agent for Massachusetts Protective and Paul Revere Life, and a member of the International association's executive board.

Has \$25 Deductible Plan

Associated Hospital Service of Illinois has introduced a \$25 deductible hospitalization plan, available both to individuals and groups.

The deductible applies to each person insured. Nearly every miscellaneous charge except blood is covered on a no-limit basis, and the plan covers for 120 days, with 50 days full benefits. The age limit for new policies has been increased to 65, and there is an incontestable clause after two years.

Women to Sponsor A&H Meeting

The women's division of the Chicago A&H Assn. will sponsor the monthly luncheon meeting Feb. 21.

Republic of Dallas Has Good Year, Splits Stock

Stockholders of Republic of Dallas have approved 50% stock dividend which increases capital from \$2,600,000 to \$3,900,000. The stockholders will receive \$130,000 in shares of additional common stock. No fractional shares will be issued.

Directors have declared a quarterly dividend of 35 cents on the 390,000 shares, and the regular 1% quarterly dividend on preferred stock will be paid March 26 to stock of record March 13.

President H. H. Gaffney said 1955 was a good year, producing the largest net earnings in the company's history. Assets totalled \$36,990,253, a gain of \$3,669,072, and surplus was \$15,865,588. Premiums increased 10%, and the combined expense-earned loss ratio was 85.4.

Vanguard wound up 1955 with assets of \$3,714,494, an increase of \$341,279. Premiums increased by \$247,130 to a total of \$1,732,298. The expense and earned loss ratio was 94.1%.

A. F. Pillet, who started with Republic in 1907 and was president from 1930 to 1942, was elected honorary director. He has been a director since 1929 and has been president emeritus since 1942.

Miss. Senate Passes Bill to Hike Premium Taxes

JACKSON—The Mississippi senate has passed an administration-sponsored tax measure which could increase premium taxes by an estimated \$1 million in the next two years. The bill calls for an increase in the premium tax on foreign life and A&S companies to 3% from the former 2.5%, while the rate on domestic life and A&S companies would be raised from 1.16% to 1.5%. An amendment from the floor prohibits mutuals, except farm, benevolent and fraternal, from deducting dividends from the payment of premium taxes.

Republic of Dallas Names 3

G. O. Maitra, William R. Houser and James N. Heiskell have been elected secretaries of Republic of Dallas, and Robert C. Webb has been named general adjuster.

Mr. Maitra is agency supervisor of Republic and Vanguard in the Pacific coast department at Los Angeles. Mr. Houser is manager at Denver, but will assume home office duties. Mr. Heiskell is inland marine manager at the home office, and Mr. Webb has been manager of the home office claims department.

Gov. Freeman to Speak

Gov. Freeman of Minneapolis will speak at the Feb. 13 meeting of Insurance Club of Minneapolis.

General Accident Names Systems Head

General Accident group has appointed John W. Murphy superintendent of its systems and procedures department. He has been with Philadelphia Gas Works in its management services department.

William L. Johnson, who organized the company's systems department in 1949, continues with the department as assistant superintendent.

N. Y. Surety Assn. Names Committeemen

Surety Managers' Assn. of New York City has added three new members to its executive committee. They are Harry F. O'Malley of Aetna Casualty, James R. Hillas of Fidelity & Casualty and Tracy A. Clute of Royal-Liverpool.

New standing committee chairmen are John F. Beardsley of Hartford Accident, contract bond; Matthew H. Hart of Travelers Indemnity, court and probate, and David Porter of Surety Assn. of America, publicity.

Propose Ky. Broker Bill

A bill has been proposed in the Kentucky legislature which would call for countersigners on brokerage business to receive 50% of the premium. Countersigners normally receive 5%.

La. Finds Auto Rate Misclassification

BATON ROUGE—Louisiana's casualty and surety division has ordered two national insurance companies to attach completed rating statements to copies of all automobile damage policies on cars driven by persons under 25.

Chairman George Menefee said the action was taken after the division determined that some 70% of policies written by the two companies had been given the highest rate classification compared with an average proportion of 20% or less.

Interviews with a sample of policy holders in one company, Mr. Menefee said, revealed that approximately 30% had been misclassified. A study of that company's methods revealed that it apparently had not set wrong rates deliberately. It had, however, left the burden of proof of lower classification up to the policy holder by means of a questionnaire, which many never returned. In cases of doubt the company used the higher classification.

The other company has been asked for an explanation and meantime both will be required to furnish completed rating statements with policy copies sent to the division for audit.

NO. 3 OF A SERIES



Service does Pay

Says a Pearl-American Agent in Northern Florida. This is his story: "When I bring to the door of a prospect, at no expense to him, binding authority and all the knowledge and experience of insurance matters which I have acquired in my years in the business I think I am rendering the finest service I can possibly provide. Furthermore, when, despite rebuffs I persist and get an order, I am sure I have rendered an OUTSTANDING service. To illustrate, a very large concern recently began the erection of a new type of processing plant on the outskirts of our city. The executives were so engrossed in getting into production that they gave me short attention when I stressed the need for insurance protection. Finally after many calls I secured an order. Within forty-eight hours after delivery of the binder the property was damaged by fire to the extent of approximately \$70,000, which amount my companies promptly paid. Needless to say my clients were very grateful and rewarded me with the entire line on the rebuilt plant."

Every Pearl-American Agent has at his command the facilities of one of the world's greatest companies. We invite your inquiry.

WE BELIEVE

the properly qualified "Independent" local agent can best SERVE the insuring public. Unlike the "Captive" agent he is free to utilize the insurance facilities of the world. In the present and continuing struggle between "Independent" and "Captive" agents it is important that this capacity of THE "Independent Local Agent" to SERVE be emphasized again and again. This series of twelve actual stories of everyday service rendered by "Independent" agents is published in that spirit. Reprints are available without cost or obligation.

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A&S FORUM TOLD:

Systematic Probing of Out-of-Line Hospital-Surgical Claims Pays Off

NEW YORK—An organized program of working with doctors, hospitals and policyholders to determine reasons for irregularities and unusually high hospital and surgical claims pays off handsomely, Occidental Life of California found in a campaign that it conducted in the southern California area.

Results of this campaign and ways

in which other companies could use the same techniques to advantage were explained by A. B. Halverson, assistant vice-president of Occidental, in a panel at the joint conference held here by Bureau of A&H Underwriters and H&A Underwriters Conference.

Several years ago Occidental officials became convinced that premium increases weren't always the answer

to mounting loss ratios, for the loss ratio in some cases remained level or climbed. Claim statistics showed up some odd and disturbing variations.

Early in 1953 Occidental launched its southern California campaign. This was not the only trouble area but it could be handled direct from the home office and also had a substantial volume of group hospital and surgical.

The company assigned a top-notch claim investigator and, as his partner, another well trained man who had considerable experience as a credit and insurance investigator. It was soon found essential to have these men process the claim files prior to payment.

This delayed settlement but did not cause adverse reaction from policyholder or claimant if properly handled. It is essential, though, to notify the policyholder of what is going on and at the same time assure him that the claim will be handled fairly and promptly following the investigation. Cooperation of the broker and the sales department were also enlisted. Incidentally, in the event that there was a reduction in the amount of charges on the claim, a release was obtained to protect the claimants so that the reduction would not subsequently be billed or passed on to them direct.

A distinct advantage of the program has been a better understanding of the insurance problems facing the hospitals. For example, as a result of the investigation program, a round-table discussion was held between the management of a very large hospital and the company's top personnel. As a result, mutual respect replaced the previous friction and relations are now very pleasant.

The vast majority of hospitals, Mr. Halverson said, are highly reputable, well run organizations. A minority group are out to exploit the prudent people who have insurance. A third segment, almost as large as the exploiters, includes institutions that because of size and management have no truly effective method of calculating charges.

In some, bills are rendered by clerks who have only rule-of-thumb formulas for calculating drug charges. When asked to supply a detailed listing of drugs administered and prices charged for them, they are lost. Incidentally, such requests often result in a reduced billing. Even such stable charges as laboratory, x-rays and use of the operating room will vary when this type of hospital is asked to submit a duplicate or itemized bill.

Comparatively rarely are these institutions attempting to submit purposely padded bills. Rather, they lack sufficient executive knowledge to establish an accounting system that will produce the same answer twice in a row. Where there seems to be an honest desire for improvement, Occidental's men have suggested that the hospital administrators look at the system used by some other institution. Sometimes this has resulted in adopting a better accounting system.

Oftentimes, Mr. Halverson said, particular claim situations can only be brought to light by comparing accumulated charges from one institution with an average for similar disabilities for all institutions. A recent study of all hospitals in the Los Angeles area showed up quite an interesting pattern. Using five selected disabilities as a guide, cost comparisons were made between large and small hospitals. In four out of the five categories studied, the small-hospital cost under a normal plan ranged from 17% to 31% more

than comparable confinements in larger institutions. Even the cost of the anesthetist was greater in a small hospital for comparable surgery—to the extent of 41% in one category.

It appeared that confinements are some 12% longer, special services are 19% more per day and anesthetist's costs 24% more in the small hospital than for the same disability in a large hospital. For this reason, a normal group plan would be called upon to pay 26% more to a small hospital than to a larger institution even though the larger institution is generally better equipped to handle any or all types of disability and its administrative procedures are generally of a higher quality.

This indicates, said Mr. Halverson, that the small institution is a more fertile field on which to work to help reduce costs. Perhaps, he said, some of the small hospitals that are owned and controlled by one doctor or a small group operate like a small grocery store owner who looks in the cash register every night and then determines what the charges may be or what services must be dispensed the following day.

Some time ago Occidental got an anonymous telephone call from a nurse who said she was working in a hospital. She said a mother who had been in an automobile accident had her child confined to the hospital with her, not because the child needed treatment but because it was costly to have a baby sitter. Nobody would admit any fakery but all parties were agreeable to a compromise settlement covering only the mother's bill—a substantial reduction from the original amount claimed.

Further investigation of charges by the doctor involved showed that they were generally out of line. In one of his cases the company tendered a 50% settlement and agreed to defend the claimant against suit from the doctor up to the limit of its liability. The doctor appealed to the insurance department which upheld the company's position.

True fraud cases rarely develop but when they do, careful claims processing and handling will bring them to light, Mr. Halverson said.

Because most companies have scheduled surgical allowances, this has not caused too much serious trouble yet but as the major medical field expands, "we anticipate it will," said Mr. Halverson. A recent surgical claim for a simple hernia and undescended testicle operation brought a surgeon's bill of \$3,500. There was major medical on this plan but it had not become effective at the time of the operation. However, by working closely with the claimant and the doctor the way was paved for a revised billing of \$500, which in this case the claimant could well afford.

How is the investigative program working with policyholders? Occidental's renewal underwriters found that on a case involving some 200 lives the hospital and surgical loss ratio was about 40% higher than the previous year. A review indicated obvious abuses. By working with the policyholder the need for some form of appeal to the employees was developed. The complete story of the policy's experience, the over-use and mis-use were cleverly presented in an article published in the policyholder's house organ. The next year the loss ratio dropped nearly half and in the current year it is running at an even lower rate.

To promote more interest among policyholders and employees in the program, a poster was given to every policyholder with a request that it be

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prominently displayed. The response was excellent, so much so that a reprint has already been made to meet the additional demand.

"If your company has not instituted a program similar to the one we have started, I sincerely recommend you do so," said Mr. Halverson. "With the combined efforts of all companies, it should be possible to keep the cost of group insurance within bounds. After all, the examples cover only a very small area of the United States—what is happening in other parts of the country?"

"Have all efforts been worth-while and the expenses justified? Yes, many times over—and much benefit which cannot be measured. As has been well said: 'Who knows how many accidents are avoided by having a policeman on the corner?'"

Dr. Madison B. Brown, executive vice-president of Hahnemann medical college and hospital at Philadelphia, offered some suggestions on how hospitals and insurers can work together to prevent over-use of health insurance. He is a past president of American Hospital Assn.

The first place in the hospital where administration may help control over-use is in the admitting office, where proper education of the admitting officer will serve to caution the patient that his or her health care insurance policy does not cover "study" cases. This is a delicate public relations problem, particularly when the reservation for the patient has been made by a staff physician, but it is not impossible to handle.

"The medical audit committee should carefully correlate the findings in the chart with the diagnosis," Dr. Brown continued. "There are instances where diagnosis has been made so it will cover the hospitalization; or after study findings have been made, the com-

mencing of treatment is done to justify the hospitalization.

These things should be dealt with with tact and justice and yet the elimination of such abuses or over-use should be corrected and called to the attention of the staff. To me, one of the bones of contention is that frequently insurance, for public relations reasons, does not stand behind non-payment for study cases."

Dr. Brown said that in the preliminary policing of over-use through the admission officers, the hospital is very often in the dark when it comes to commercial insurance because it has no knowledge of the coverage pattern of the policy. He said that a synopsis contract provided by commercial insurance is most helpful to the admission and the credit officers. Such a program is now in effect in New York and other cities.

The basic group who must control over-use of health insurance is the medical staff itself, Dr. Brown said. The functioning of the tissue committee and the medical audit and records committees are primarily staff functions. Hospital administration may assist in strengthening the hand of the staff by insisting upon these criteria.

A "very major area" in which hospital administration in cooperation with the medical staff can assist in correction of unintentional over-use is the provision of adequate staffing for diagnostic facilities, an adequate number of diagnostic facilities, the provision of adequate staffing in the operating rooms, and the provision of an adequate number of operating rooms.

"I am sure that there are instances when administration, through the lack of provision of proper facilities or personnel, has created extended stays in the hospital," Dr. Brown said. "Over-use can be prevented by proper cooperation between the staff and administration on the admission and discharge of patients. It must also be realized that payment of bills or certain barriers which are raised by administration frequently delay the expeditious handling of patients. All these things come under the factor of unintentional over-use of health insurance."

O'Hanlon Reports Names Callahan V-P

O'Hanlon Reports of New York has named Vincent G. Callahan assistant vice-president in charge of the nationwide system of 35 branch offices.

He started with the company in 1937, advanced to assistant manager and manager of the New York office and then to supervising manager in charge of operations.

Glens Falls Writes Cal. Bond

Robert E. McKee of Los Angeles has been awarded the contract for construction of a maintenance hangar, fire protection system, fire station and paving and facilities at McClellan Air Force Base in California at a price of \$2,438,154. Glens Falls Indemnity is surety on the work.

School Offers Casualty Seminar

School of Insurance of Insurance Society of New York is offering a seminar for experienced casualty underwriters in the spring semester. The instructor is E. Bramley Sharpe, manager of the compensation department of Home Indemnity.

John P. Colby, former claim adjuster and manager of Peerless and National Grange Liability, has joined the Ralph H. Moore local agency at Lacomia, N. H. He will be associated with Mrs. Doris Moore in the agency which she has conducted since her husband's death.

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Faulkner Outlines Functions of Health Assn.

(CONTINUED FROM PAGE 1)

semi-autonomous group elected by the directors, will serve as the policy body in PR matters, Mr. Faulkner stated.

The planning committee of the organizing committee of the new association has recommended that in addition to the PR committee, nine other principal committees be appointed—actuarial and statistical, administrative, group insurance, Health Insurance Council, individual insurance, legal, legislative and regulatory, membership and ethical standards, and nominations. Subcommittees would aid these principal committees, Mr. Faulkner suggested. The groups committee might have subcommittees on administrative procedures, claim procedures, statistical procedures, blanket insurance, association insurance, franchise insurance, state statutory disability insurance, group insurance meetings and publication of a group insurance digest. He said he hoped the group A&S insurance digest, now published by the conference, and the annual group conferences or seminars will be continued.

In matters affecting purveyors of health care, the services of Health Insurance Council can be developed profitably, he suggested. Doubtless there will be many statistical studies the group insurance committee will wish to sponsor. The importance of group insurance in protecting the great mass of American people deserves much consideration in the program of PR contemplated by the new association and the new Institute of Health Insurance. The group committee can be very helpful to the PR committee and the institute staff as they devise the kind of program best suited to explain group insurance and to provide the public with the information needed on matters peculiar to group underwriting. The new association can and will go further than the bureau and conference in assisting member companies and the business generally to exploit vigorously the great opportunity for the expansion of group coverages, he said.

With the launching of the new association, the many projects now being sponsored by Joint Committee on Health Insurance can be transferred to the proper agency of the association. These include the exceedingly promising studies of task force 3 on ways to improve the service of A&S to the public and the highly significant work being done by task force 4 on the reserve structure of some of the newer forms of coverage.

By the date of organization, Health Insurance Assn. should be thoroughly implemented and ready to commence functioning immediately, he declared. Until then, the bureau and conference will continue to operate as they have in the past.

In describing the six principal functions of the new association, Mr. Faulkner pointed out that legislative service would include the review and reporting of legislation, state and federal; furnishing information that may be used to oppose ill advised legislation; preparing and sponsoring model legislation; representing the business before legislative and other government agencies; liaison and representation with National Assn. of Insurance Commissioners; consultation with insurance departments on proposed

laws and rulings and on interpretations of laws and policy approvals, and liaison and representation with federal agencies on questions involving A&S. Presently at least seven associations provide these legislative services in various degrees. Most of them will be relieved of this burden with the new association, thus reducing confusion and waste. To the extent that any association continues active in legislative service, he said, it is contemplated that complete coordination will be maintained through joint or cooperating committees.

The educational service includes leadership in the process of group thinking of problems of the business. Undoubtedly, he said, the new association will continue the successful procedures and devices of the bureau and conference, including forums, workshops and conferences. Because A&S still is undergoing rapid change and development, continuing research is important in evaluating forms of protection offered and procedures used. To keep insurers informed of changing conditions, to provide literature on current company experience and practice, and to furnish a medium for the exchange of ideas, the new association will seek to maintain effective channels of communication.

With hospitals, doctors, nurses, therapists, pharmacists and others with a great stake in the economics of financing health care costs, the association will provide intelligent cooperation. The council has been maintaining close liaison in this field, he said, but its work has been impeded because it is a federation with only limited authority to act. In spite of this, the council has made notable contributions. With the reduction in the number of constituent associations on which the council must rely for direction and support, its effectiveness will be substantially enhanced, Mr. Faulkner believes. Life Insurance Assn. of America has decided that for the present it will continue to provide its very substantial share of staff work to the council under a cooperative agreement. Most of the remaining part of the responsibility for the council will be undertaken by Health Insurance Assn., Mr. Faulkner said.

The new association, it is expected, through coordination of efforts of a great number of companies, will be able to provide the business with statistical information that it needs on a more comprehensive and economical basis that has been done by the conference and bureau, he said.

Only A&S among coverages of consequence has lacked a PR instrumentality, he said, and the new association will supply this.

Mr. Faulkner answered the implied criticism in the question, "why a new trade association?" by pointing out that the very multiplicity and complexity of trade associations in A&S suggests one important reason for the new association as the principal spokesman for the business. He called attention to the vastly increased size of A&S, its sharply accentuated social, economic and political significance, the interest of government in the costs of health care, etc. The need of a strong, single trade organization is apparent.

Because of the heterogeneity of the A&S insurer, and the rapid growth in

all directions of the business, it is natural that a number of associations should grow up, each designed to bring together insurers that seem to have some common interest. The two principal associations, the bureau and the conference, each has served its membership admirably and made a distinguished contribution to the prosperity and progress of the whole A&S business. Yet the capabilities of each have been circumscribed by its size and the continuous necessity for coordinating activity with other interests in the business.

This confusion over responsibility and initiative is illustrated by the situation that resulted in the formation of Joint Committee on Health Insurance in 1954, he said. At that time the business was subject to vitriolic and largely unfounded attacks in the public press and in legislative committees, both state and national. There was a federal A&S reinsurance bill. The commissioners were distressed by an increasing number of complaints, many of which were inspired by a rash of unfortunate articles in newspapers and magazines.

In the face of these problems, no one trade association was in a position to act for the industry, he pointed out. Some instrumentality was needed by which the thinking and activity of the entire business could be brought to bear on a situation that was worsening rapidly—and the joint committee resulted. But the committee had the same weakness as the council, in that it operated as a federation and lacked power of direct and decisive action. At best this form of organization "muddles through to a solution only after many delays and an often intolerable expenditure of time, effort and money," he said.

Most problems of A&S are of interest to all insurers, irrespective of type of location, Mr. Faulkner stated. The often acrimonious differences that at one time separated big companies from small, east from west, mutual from stocks, have largely disappeared, even though there is and hopefully there always will be free and keen competition.

It was apparent to the joint committee shortly after its organization that a most important contribution to the welfare of insurers and policyholders would be to streamline the overcomplicated trade association structure. After two years of study, the new association was projected.

Its objectives are to establish standards of ethical conduct in A&S as a condition of membership. By its organization on this base the new association should provide the public and regulatory authorities with renewed assurance of the ethical manner in which the vast majority of all A&S insurers discharge their obligations, he declared.

A second objective is to provide a

single form for establishing industry position on questions affecting the business.

A third principal purpose was to create a mechanism for telling an affirmative public relations story about the business.

Another objective was to achieve more efficient and economical operation by central direction and staff control, thus eliminating present duplication of association and company effort.

A further purpose was to eliminate confusion to present public which arises from the multiplicity of associations now active in the business.

Other aims include the desire to add impetus and efficiency to the council's work, and to achieve greater respect and influence for the whole business by a more satisfactory operation of a single, principal trade organization, he said.

Registering of Welfare Funds Asked by U. S.

The administration has presented a bill to Congress which is aimed at safeguarding welfare and pension funds against fraud by requiring registration with the Labor Department and statements on their administration and finances. The funds now total an estimated \$26 billion. The bill leaves to the discretion of the Secretary of Labor what information about the funds would be made public.

NEWS BRIEFS

Reynolds E. Moulton and Robert E. Adair, who have been with John C. Paige, Portland, Me., agency, have joined the Bradish-Young agency there. Mr. Moulton was formerly a manager with Travelers at Portland. Mr. Adair formerly was a casualty underwriter of Travelers at the home office.

C. R. Marshall, Charlotte general agent, has been elected a director of Penn Mutual Fire of West Chester, Pa. He has represented the company in North and South Carolina since 1946 and is the first director from that territory.

Rolf Stevens, who has been manager of the inland marine department of Home at Boston and a former staff member of General Adjustment Bureau, has joined Gordon Boyd & Co., Boston adjusters, as an inland marine adjuster.

Mrs. Louise Costello, who manages the Gilbert F. Davis agency in Windsor, Vt., was presented a certificate marking 50 years of representation by London Assurance.

John A. Roy, general manager of Frost, Ames & Duffy agency of Utica, N.Y., has taken over the business and will continue it under his own name and direction.

Harleysville Mutual Casualty has named William H. Hunsicker casualty manager. He started with the company in 1947 in the underwriting department.

Roy McCullough, manager of Multiple Peril Insurance Rating Organization, addressed Insurance Club of Pittsburgh on homeowners' policies at a luncheon in Pittsburgh.

American Universal has been licensed in Maine. The company now operates in 23 states and Alaska.

Autrey Millsap agency and J. A. Pound & Associates agency of Jacksonville, Fla., have merged. New offices are at 514 Franklin street.

Wilson & Co. agency at Cleveland has moved its offices from 12927 Shaker boulevard to 11800 Shaker boulevard. William E. Wilson is manager.

Eighteen Insurance People to Participate in Tenn. Conference

The annual Fire Department Insurers Conference will be held Feb. 21-24 at Memphis. Insurance men participating in the conference include: Richard E. Vernor, Western Actuarial Bureau, Chicago; Edgar M. Munday, University of Kansas, Lawrence; W. C. Anderson and W. B. Larkin, Missouri Inspection Bureau, St. Louis; Lothar A. Smith, Oklahoma Inspection Bureau, Oklahoma City; Dr. R. C. Steinmetz, Mutual Investigation Bureau, Chicago; Elmer F. Reske, Cook County Inspection Bureau, Chicago; R. K. Scott, North Carolina Fire Insurance Rating Bureau, Raleigh; Carl N. Clanton, Kansas Inspection Bureau, Topeka, and Francis S. Austin, Missouri Inspection Bureau, St. Louis.

Also, K. G. Hulme, Tennessee Inspection Bureau, Nashville; Miss Amalia Miller and Curtis R. Welborn, Underwriters' Laboratories, Chicago; Emmett T. Cox, Western Actuarial Bureau, Chicago; W. J. Dahlgren, Tennessee Inspection Bureau, Nashville; A. L. P. Schmeichel, West Virginia Inspection Bureau, Charleston; John A. Neal, National Board of Fire Underwriters, New York, and H. A. Ritgerod, L. V. Martin & Co., Little Rock, Ark.

Would Impose Interest on Appeal

A bill has been introduced in Pennsylvania legislature which would impose liability for interest upon insurance companies when an appeal is taken by the company in damage suit proceedings. The measure provides that interest at 6% be included in the final judgment. It has been referred to the senate insurance committee.

C. W. Doherty Retiring, North British Names Barnett on Coast

C. W. Doherty, superintendent of agencies in the Pacific department of North British group and with the organization since 1924, has retired because of ill health which has kept him confined to his home for several months.

Benjamin Barnett, who has been special agent at Seattle since 1949, has been transferred to San Francisco to take on the duties of superintendent of agencies. He joined the group in 1946.

Fireman's Fund Managers Convene at San Francisco

Insurance growth opportunities associated with the west's heavy population gains, record high construction and full employment were among the subjects discussed by Pacific department management and branch managers of Fireman's Fund group at a two-day meeting in San Francisco. L. W. Niggeman, vice-president and manager of the Pacific department, conducted the meeting which was attended by managers of branch and service offices in the 11 western states.

La. Prohibits One PPF Endorsement

Louisiana is prohibiting application of the endorsement to the personal property floater which covers improvements, alterations or additions to personal property unless the PPF also covers residences in other states. In the latter case the endorsement must state that it is not applicable to improvements, alterations or additions to buildings in Louisiana.

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North America Offers Package Cover for Tenants

(CONTINUED FROM PAGE 2)

limit of liability may not be increased, except as to CPL and medical payments. Basic limits for the last mentioned coverages are \$10,000 per occurrence CPL and \$250 per person for medical payments.

In addition to the coverage on the premises of the insured's apartment, there is coverage up to 10% of the premises amount for property away from the premises anywhere in the

world. The minimum amount of off-premises cover is \$1,000. This is not an extension, but an independent amount of cover, though it is shown as a percentage relationship to the premises amount. In a separate provision, there is coverage of property removed to a place of safety because of imminent danger of loss and while being returned from such a place, if the insured gives written notice of such

removal within 30 days.

Improvements and betterments are covered up to 10% of the premises amount, provided these have been installed by the insured. There is additional living expense cover in an amount of 20% of the premises limit, subject to a monthly limitation of 5% of the premises limit.

There are nine exclusions applicable to the physical damage and consequential (additional living expense) portion of the apartment policy, which exclusions, like the perils, are listed with practically no adornment. There is no coverage of automobiles, trailers, motorcycles, aircraft, or of equipment or appurtenances attached to them. Property pertaining to a business or profession of an insured is covered only on the premises and there is a flat exclusion of property carried or held as samples or for sale or for delivery after sale. Animals and birds are excluded. Boats and their equipment are excluded only as to windstorm, water, ice, snow, hail or freezing. The electrical injury to electrical appliances exclusion is unique in that it applies unless fire ensues, but coverage is not limited to the ensuing fire damage.

Backing up of sewers or outside drains is excluded and so is loss caused by water seeping through basement floors or basement walls below the ground level. Flood, inundation, tidal waves or high water are excluded, whether or not driven by wind. There is an exclusion of earthquake damage.

The war risk exclusion applies to "loss due to war, whether or not declared, civil war, insurrection, rebellion or revolution, or to any act or condition incident to any of the foregoing."

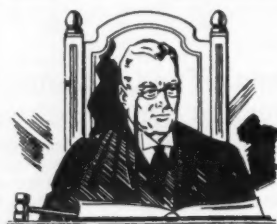
Burglary, robbery, theft, larceny, vandalism or malicious mischief committed by a relative of the insured who lives with him is excluded and, as to the same perils, there is no coverage while the property is in any other dwelling, including grounds and outbuildings incidental to any other dwelling, owned or occupied by or rented to the insured, with the exception of the time during which the insured is temporarily residing there. Theft, etc. of property unattended in any private passenger car on any public way or in a public garage or public parking lot are excluded with the usual exception of loss resulting from forcible entry into a fully enclosed body or compartment with visible evidence of such entry. Doors and window must have been locked and it is specifically provided that a glove compartment is not a "compartment" within the meaning of the exclusion. Further, even where there has been forcible entry with the specified evidence, the top limit of recovery is \$500. The unattended auto exclusion applies only to automobiles on public ways, public garages and public parking lots.

Special limitations, applicable to loss under any insured peril, are \$100 on money, \$500 on securities and manuscripts and \$10,000 on jewelry and furs, subject, of course, to the applicable limit of liability as shown in the declarations. These special limits apply per loss as do the policy limits themselves and there is a provision that the policy is not reduced by loss.

As with the homeowners policies, other insurance is not permitted unless it is existing insurance for which credit is given under a pick-up endorsement. Property which is specifically described and insured—wholly or partially—by any other insurance is not covered nor is there coverage

on property of any person other than the insured or a permanent member of his household if such property is otherwise insured.

The amount of off-premises theft insurance may be increased for an extra premium through the use of an endorsement. Similarly, the policy may be endorsed for an extra premium so that theft, vandalism and malicious mischief coverage applies to property in a seasonal or temporary residence year-round, even while the insured is not there. An optional \$25 burglary, robbery, theft, larceny, vandalism and malicious mischief deductible is au-



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thorized for use with the apartment tenants policy.

The comprehensive personal liability and medical payments features of the apartment tenants policy are basically like those of other package policies and of the separate comprehensive personal liability contract, with some differences. Among these, the contractual liability feature, which in basic CPL applies only to written contracts in connection with the premises, applies to liability assumed by the insured under written contract without any such restriction. The medical payments feature states that it applies only at the request of the named insured. The watercraft exclusion differs from other contracts in that it applies to sailboats which exceed 26 feet in over-all length and inboard motor boats with more than 10 horsepower. Thus, the exclusion does not apply at all to an outboard motor or to a boat used with an outboard motor unless the boat should have the character of a sailboat and exceed 26 feet in over-all length. In contrast, the basic CPL and the CPL provisions of other package policies apply the length and horsepower limitations to any type of boat, but with a top permissible horsepower of 25 rather than 10. The language of the exclusion of the CPL section of the apartment tenants policy dealing with intentional acts is unique, reading, "to any act committed by or at the direction of the insured with the intent to cause serious injury or damage to person or property."

The CPL covers construction for or by the insured of a one or two-family dwelling. This contrasts with other contracts in that it applies whether the insured is doing all or some of the work himself or is having it done

entirely by an independent contractor, whereas under basic CPL the coverage applies only if the work is being done solely by independent contractors. However, the apartment tenants CPL excludes injury to any of the insured's employees arising out of and in the course of employment in construction operations.

The dwelling tenants policy is essentially a homeowners B less provisions and features for which there is no necessity in view of the fact that the contract is written for tenants. Thus, there are the 165 numbered lines of the standard fire policy and detailed definitions of perils, incorporating the essence of the provisions applicable to extended and additional extended coverage perils. The water damage or, as it is called in this policy, "water escape," feature does not include the cost of repairing or replacing the plumbing, heating or air-conditioning system or domestic appliance which is the source of water damage. The provision calling for due diligence about heat applies only if this is under the insured's supervision. Also, there is no coverage of rupture of steam or hot water heating systems, freezing or plumbing, heating or air-conditioning systems, etc., though there is coverage of water damage from these.

N. H. Adopts One Write Fire Policy

The one write form of fire policy has been adopted by New Hampshire, effective Feb. 1. Companies are permitted to exhaust their present printed supply of the New Hampshire standard fire forms now in use, but no such forms may be used after Sept. 1, according to Commissioner Knowlton.

New Hampshire Board is presently preparing appropriate forms to be used in connection with the new policy. Until they are ready, the new policy may be used with the old forms.

Casualty Claims Managers of Grand Rapids Elect

James T. Horgan of Hardware Mutual of Stevens Point has been elected president of Grand Rapids (Mich.) Casualty Claims Managers Council.

George E. Hoffer of Zurich was named vice-president and Kenneth W. Keeton of Aetna was elected secretary.

Reins Club Reelects, Plans Dinner Dance

Reins Club reelected Charles Marschner of Home president and all other officers at its meeting in New York City. The club will hold a dinner dance Feb. 21 at Hotel Margaret in Brooklyn. Burt E. Eilert of New Hampshire Fire is chairman.

Mich. Casualty & Surety Executives Elect Potter

Casualty & Surety Executives Assn. of Michigan elected the following officers: President, A. Lawson Potter, New Amsterdam Casualty; vice-president, George Bortz, Fidelity & Deposit; secretary, Edward Radius, Home Indemnity.

To Write All Lines in 27 States

Manufacturers & Merchants Indemnity is being licensed for multiple line in all 27 states in which it operates. Its fire running mate, Selective, has only written private residence and dwelling risks on a limited basis and its disposition has not been decided.

Lawton B. Kingsbury has been named Boston sales manager for Employers Mutuals of Wausau. He has been with the company since 1944.

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Health Insurance Assn. to Meet April 12-13

(CONTINUED FROM PAGE 1)

tion of both the conference and bureau.

The vote for dissolution of the conference will be submitted to the members by a mail vote in the near future.

Because of the announced organizational meeting of the HIA, the committee cancelled plans for the conference annual meeting, which was scheduled for Boston in May.

A subcommittee of the executive committee, as provided for in the constitution and by-laws, was authorized to handle termination of the affairs of the conference so that distribution of assets will be on an equitable basis to present active members of the conference. Named to the subcommittee were J. E. Hellgren, Lumbermens Mutual, chairman; J. C. Higdon, Business Men's Assurance; J. W. Scherr Jr., Inter-Ocean; and ex-officio R. J. Wetterlund, Washington National, and G. H. Hipp, Employers Mutual Liability of Wisconsin.

Insurance Continues as Top News in Texas

(CONTINUED FROM PAGE 1)

al Life of Dallas and Trans-County Mutual of San Antonio, which has a Dallas mailing address—to "show cause" why they should be permitted to remain in business. Hearings on the order have been set for Feb. 21.

The board charged that Trans-Western Mutual Life had fewer policies in force at Dec. 31, 1954, than the law required, and that its books have not been available for inspection. Its assets for the report of that year were listed as \$1,173, surplus at \$643, with insurance in force of \$222,500.

With respect to Trans-County Mutual, the board charges that the company has not been operated as a mutual but "as a purely commercial enterprise without regard to the interests of policyholders." The company, alleged to be insolvent to the extent of \$33,433 on Dec. 31, 1955, at midyear in 1955 reported assets of \$60,027 and liabilities of \$14,495.

The three A. B. Shoemaker companies, collapse of which touched off the latest wave of insurance publicity in Texas, were put in permanent receivership by District Judge Betts of Austin. The state liquidator, J. D. Wheeler, who also is receiver, can now proceed disposing of assets for the benefit of creditors. Emmett Shelton, attorney for the liquidator, estimated creditors will receive from 50 to 60 cents on the dollar, a considerably brighter outlook than when the companies were closed Dec. 15. It then was estimated the return would be only about 15 cents on the dollar.

The companies are U.S. Trust & Guaranty, U.S. Automotive Service and Arkansas Fire & Marine. A default judgment will have to be taken on the latter company, which did not appear in court. Its assets, \$390,000 cash and a \$110,000 office building, are in Little Rock, Ark.

In another aspect of the matter, Chairman Saunders said the board will not reemploy four suspended examiners who are involved in a suit alleging conspiracy to commit fraud in a receivership case. Originally they were granted leaves of absence. They are L. W. Blanchard, chief examiner; Robert R. Butler, assistant chief examiner, and W. J. Noad and Lee J. Pfefferkorn, both field examiners. The four were suspended after being named as defendants in the \$6,640,000 General American Casualty damage suit brought by Mr. Wheeler.

ert R. Butler, assistant chief examiner, and W. J. Noad and Lee J. Pfefferkorn, both field examiners. The four were suspended after being named as defendants in the \$6,640,000 General American Casualty damage suit brought by Mr. Wheeler.

Tom Robinson, for six years an examiner, has been promoted to assistant chief examiner. Successors to the others were not immediately appointed.

Meanwhile, District Attorney Procter of Austin said he will bring Paul and Leslie Lowry, brothers, and D. H. O'Fiel, attorney, all of Beaumont, to trial April 2 on criminal charges dating back to the failure in 1954 of Texas Mutual and two other Lowry-promoted companies. The three men face seven indictments returned by a Travis county grand jury in May, 1954, and also are under two perjury indictments in connection with sworn statements to the insurance commission. Mr. Procter announced his plans for an early trial after the surprise appearance before Travis county grand jury of four men once associated with the Lowry companies.

F&D Names Assistant Manager at N.Y.

Horace A. Stevens has been promoted to assistant manager at New York by Fidelity & Deposit and American Bonding.

Prior to joining F&D in New York last June as manager of the production department, Mr. Stevens was for 14 years with National Surety as branch manager in several cities.

N. Y. Mutuals Assn. Headed by Stone

George J. Stone of Utilities Mutual was elected president of Assn. of New York State Mutual Casualty Companies at the annual meeting in New York City. Edwin A. Cook of Interboro Mutual, was elected vice-president. Michael J. Murphy, general manager, and Miss Emma C. Maycrink, secretary, were reelected. New members of the governing committee are Security Mutual Liability and Utilities Mutual.

Three Big Cal. Bonds

American Surety has written the bonds on a \$2,649,957 U. S. Engineers contract awarded to M. M. Sundt Construction Co. of Tucson for runway and apron construction at Davis-Monthan air base, Tucson.

U.S.F.&G. is surety on a \$1,849,118 U. S. Reclamation Bureau contract awarded to R. V. Lloyd & Co. of Coachella, Cal., for construction work on the Shafter-Wasco irrigation district project at Central Valley, Cal.

Leavell & Co. of El Paso, Tex., and Utah Construction Co. have been awarded a \$1,033,745 U. S. Navy contract for construction of additional aviation facilities at Vanal Auxiliary Station, Fallon, Nev. Aetna Casualty is surety on the work.

Morris Named Omaha Auditor

Saint Paul-Mercury Indemnity has appointed Leonard G. Morris as auditor with headquarters in Omaha where he will assist in servicing eastern Nebraska and western Iowa agents.

New officers of Greater Pittston (Pa.) Assn. of Insurance Agents are Harold P. Shannon, president; Walter E. Margie, vice-president, and James L. Melberger, secretary. Seymour Noggi, Scranton, spoke on the importance of higher qualification standards and the value of strong agents' associations at the meeting, and Marshall W. Davis of Harrisburg, assistant secretary of the Pennsylvania association spoke on the state legislative picture.

Late News Bulletins . . .

(CONTINUED FROM PAGE 1)

annual meeting in New York City with Field Club and Fire Safety Association presidents and public relations committee chairmen.

Plans were outlined for increased attendance at field club meetings and to expand field men's participation in the various club activities. There was an exchange of ideas on educational programs and on operations of the catastrophe loss adjustment procedure.

Suggestions were offered by field clubs to assist local chambers of commerce in supporting the inter-chamber national fire safety contest.

The field club rules and forms committees met with the rating methods research committee of EUA under Chairman L. M. Michel, vice-president of Fire Association.

Wreck Delays Smith Appearance

Chase N. Smith, general counsel of Lumbermens Mutual Casualty and chairman of the insurance committee of U. S. Chamber of Commerce, had his appearance before the House banking committee in Washington, D. C., postponed this week because of a train wreck. Mr. Smith, who was scheduled to testify Tuesday on flood insurance before the committee, wired from Cumberland, Md., that he had been delayed by the wreck of the Baltimore & Ohio railroad in West Virginia. He was not injured though the car in which he was traveling turned over. Later he appeared and expressed his view that flood damage is uninsurable.

Among those attending the Tuesday session of the committee were Clarence Klocksin of National Board, John F. Neville of American Insurance Assn., Maurice G. Herndon of National Assn. of Insurance Agents, who indicated NAIA would not testify on flood insurance legislation, and A. L. Kirkpatrick and Charles Houston of the insurance department of U. S. Chamber of Commerce.

Agent's Exams Board Frowned on in Va.

The Virginia legislature's advisory council has reported unfavorably on a proposal to create a special board to examine and license insurance agents. It pointed out that the state corporation committee already has the power to prevent most abuses complained of by backers of the proposal.

Similar proposals in past legislatures have met with defeat. Opposition has been lead by auto dealers who sell insurance as a side line and by companies who finance auto sales. With advisory council support, proponents of the measure feel its chances of passage are considerably less.

Memphis-Mid-South CPCUs Elect Lester

Memphis-Mid-South CPCU chapter has elected Wayne A. Lester of U.S.F. & G. president; James B. Krell of American Surety, vice-president and Lewis McDonnell, Memphis local agent, secretary.

International Service Gains

International Service of Fort Worth had a 15% gain in new business during 1955. Surplus to policyholders was up 13% to \$2,106,090 and assets increased during the year \$1,210,239 to total \$7,956,779. Capital was increased from \$700,000 to \$1 million in 1955, a gain of 42%.

Miss Kelly Wins Boston Contest

Miss Olive E. Kelley of Wood-Evans local agency of Cambridge, Mass., has won the essay contest for first year evening students of Insurance Library Assn. of Boston. Her winning essay was "What Insurance Does for My Home Town." Judges were Harold G. Donovan of Massachusetts Bonding, Otto A. Staehr of National of Hartford and Harry N. Belt, local agent of Boston.

Me. County Board Elects

Cumberland County Board, Portland, Me., has elected Elvin J. Gilman, president, C. Everett Abbott, secretary; Willis S. Stiles and William H. Payne Jr., vice-presidents; and Lawrence D. Chapman, Clifford F. Leeman, Henry S. Payson and George H. Brinley, executive committee.

Fleagle Joins Pacific Fire in Marine Unit

Stanley W. Fleagle has joined Pacific Fire to assist development of marine operations. He started his insurance career with Appleton & Cox in 1937, joined Frenkel & Co. in 1946 and went to Griswold & Co. of New York in 1951. He has specialized in ocean and inland marine operations.

Employers Engineer Completes Safety Book

Charles Gaulin Jr., senior engineer in the middle department of Employers group, has completed a book, "Industrial Accident Prevention," which will be used by International Correspondence Schools as part of the course in foremanship in industrial supervision. It discusses precautions in the use of tools, machines and in storage of materials. It also covers health hazards, personal protective equipment and fire prevention and protection.

Allstate Names Six

Allstate has made a number of appointments of district sales managers in branch offices: E. Ray Chapman, Menlo Park, Cal.; Baird C. McIlroy, Seattle; Roger C. Townsend, Murray Hill, N. J.; Frank C. McCuskey, Dallas; Charles J. Amis, Jr., Charlotte, N. C., and William P. Jackson, Houston.

Casualty Insurers in N. Y. Board

New York Board has elected Fidelity & Casualty, Standard Accident, Aetna Casualty, Zurich and American Guarantee to membership.

John Street Club Elects

Officers of John Street Club, young men's insurance organization in New York City, are president, Lanman T. Holmes of Chubb & Son, and governors, John R. Walbridge of North America, John F. Kelsey of Griswold & Co., Robert Newhouse of Guy Carpenter & Co., David Devens, Johnson & Higgins, Carleton A. Pate of Pate & Robb, William H. Gray, of William A. Gray & Co., Joseph E. Johnson of North America Indemnity, and Charles H. Pritchard III of Pritchard & Baird.

The Charles L. Platts agency of Portland, Ind., has moved to 223 North Meridian.

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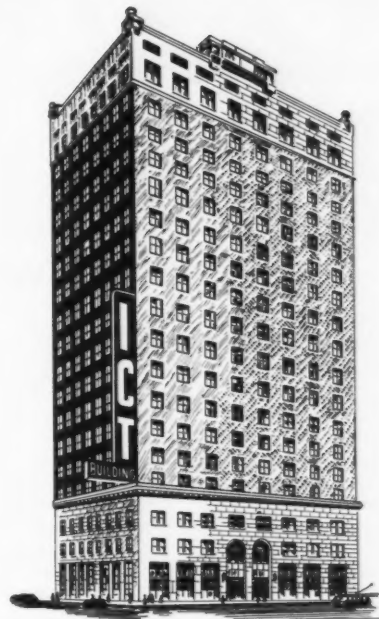
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